

limiting the length of freight trains, and Senate bill 2519 and House bill 7430, for the 6-hour day; to the Committee on Interstate and Foreign Commerce.

3845. Also, resolution of the Board of County Commissioners of Clay County, urging that Congress make provision for funds for highway work in the various States; to the Committee on Ways and Means.

3846. By Mr. JAMES: Resolution of the township of Baraga, Baraga County, Mich., through Mrs. Hazel Nord, Baraga township clerk, favoring the McLeod bill providing for payment in full to all depositors in closed national banks; to the Committee on Banking and Currency.

3847. By Mr. KELLY of Pennsylvania: Petition of 400 citizens of McKeesport, Pa., urging abolition of furloughs in the Postal Service; to the Committee on the Post Office and Post Roads.

3848. By Mr. MULDOWNEY: Petition signed by 2,220 employees of the Postal Service, protesting against the Post Office Department's policy in curtailing service at the expense of increased unemployment, maintaining that it is directly contradictory to the Government's reemployment drive; to the Committee on the Post Office and Post Roads.

3849. By Mr. TREADWAY: Resolution of the Woman's Christian Temperance Union, Holyoke, Mass., urging early hearings and favorable action on House bill 6097, providing higher moral standards for films entering interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

3850. By the SPEAKER: Petition of Frank H. Walsh, regarding the restriction of time of station WLWL by the Federal Radio Commission; to the Committee on Merchant Marine, Radio, and Fisheries.

3851. Also, petition of Holy Name Society, Branch No. 57, urging support of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

3852. Also, petition of Charles Forney, urging passage of the Fletcher-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

3853. Also, petition of the Local Federation of Catholic Societies, New York State League, Brooklyn branch, regarding the treatment of radio station WLWL; to the Committee on Merchant Marine, Radio, and Fisheries.

3854. Also, petition of St. Michael's Church, Brooklyn, N.Y., regarding discrimination against station WLWL; to the Committee on Merchant Marine, Radio, and Fisheries.

3855. Also, petition of John P. Mullen, urging the enactment of a Presidential primary law for the District; to the Committee on the District of Columbia.

3856. Also, petition of the Brooklyn Catholic Action Council, urging support of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

3857. By Mr. BAKEWELL: Resolution of employees of the various brokerage firms of Bridgeport, Conn., opposing the passage of the proposed National Securities Exchange Act of 1934; to the Committee on Interstate and Foreign Commerce.

3858. By Mr. LINDSAY: Petition of the Polish Army Veterans' Association of America, Post No. 102, Brooklyn, N.Y., urging support of the Cannon bill (H.R. 6912); to the Committee on Immigration and Naturalization.

3859. Also, petition of Rev. Christopher T. Molly, pastor of St. Columbkille's Roman Catholic Church, Brooklyn, N.Y., urging support of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

3860. Also, petition of the Holy Name Society of Holy Family Parish, Brooklyn, N.Y., urging support of the proposed amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

3861. Also, petition of Raymond B. Stringham, attorney, New York City, concerning air-mail contracts; to the Committee on the Post Office and Post Roads.

## SENATE

SATURDAY, APRIL 14, 1934

(Legislative day of Wednesday, Mar. 28, 1934)

The Senate met at 12 o'clock noon, on the expiration of the recess.

### THE JOURNAL

On motion of Mr. HARRISON, and by unanimous consent, the reading of the Journal for the calendar day Friday, April 13, was dispensed with, and the Journal was approved.

### CALL OF THE ROLL

Mr. HARRISON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Hebert	Reynolds
Ashurst	Costigan	Johnson	Robinson, Ind.
Austin	Couzens	Kean	Russell
Bachman	Cutting	King	Schall
Bailey	Davis	La Follette	Sheppard
Bankhead	Dickinson	Lewis	Shipstead
Barbour	Duffy	Logan	Smith
Barkley	Erickson	Lonergan	Steiwer
Black	Fess	Long	Stephens
Bone	Fletcher	McGill	Thomas, Okla.
Borah	Frazier	McKellar	Thomas, Utah
Brown	George	McNary	Thompson
Bulkley	Gibson	Metcalf	Townsend
Bulow	Gore	Murphy	Vandenberg
Byrnes	Hale	Norris	Van Nuys
Capper	Harrison	O'Mahoney	Wagner
Caraway	Hastings	Overton	Walsh
Clark	Hatch	Patterson	
Connally	Hatfield	Pope	
Coolidge	Hayden	Reed	

Mr. HARRISON. I desire to announce that the Senator from Arkansas [Mr. ROBINSON] is detained from the Senate because of serious illness in his immediate family.

I regret to announce that the Senator from Montana [Mr. WHEELER] is detained from the Senate by illness.

I wish further to announce that the Senator from Florida [Mr. TRAMMELL], the Senator from Virginia [Mr. BYRD], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Maryland [Mr. TYDINGS], the senior Senator from Nevada [Mr. PITTMAN], the junior Senator from Nevada [Mr. McCARRAN], the Senator from California [Mr. McADOO], the Senator from Illinois [Mr. DIETERICH], the Senator from West Virginia [Mr. NEELY], the Senator from New York [Mr. COPELAND], and the Senator from Washington [Mr. DILL] are necessarily detained from the Senate on official business.

The VICE PRESIDENT. Seventy-seven Senators have answered to their names. A quorum is present.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed the bill (S. 1091) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claims of Edward F. Goltra against the United States arising out of the taking of certain vessels and unloading apparatus, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 1977. An act for the relief of R. A. Hunsinger;

H.R. 2340. An act for the relief of Russell & Tucker and certain other citizens of the States of Texas, Oklahoma, and Kansas;

H.R. 2669. An act for the relief of Paul I. Morris;

H.R. 3463. An act for the relief of Walter E. Switzer;

H.R. 3502. An act for the relief of the estate of William Bardel;

H.R. 3851. An act for the relief of Henry A. Richmond;

H.R. 4082. An act for the relief of John J. Corcoran;

H.R. 4269. An act for the relief of Edward J. Devine;

H.R. 4274. An act for the relief of Charles A. Brown;

H.R. 4390. An act for the relief of R. W. Dickerson;  
 H.R. 4444. An act for the relief of Lt. James Floyd Terrell,  
 Medical Corps, United States Navy;  
 H.R. 4447. An act for the relief of Vertner Tate;  
 H.R. 4533. An act for the relief of the widow of D. W.  
 Talner;  
 H.R. 4541. An act for the relief of George Dacas;  
 H.R. 4611. An act for the relief of Barney Rieke;  
 H.R. 4690. An act for the relief of Eula K. Lee;  
 H.R. 4927. An act for the relief of C. J. Holliday;  
 H.R. 4929. An act for the relief of J. B. Trotter; and  
 H.R. 6890. An act for the relief of Mrs. Pleasant Lawrence  
 Parr.

#### CLAIMS OF EDWARD F. GOLTRA

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1091) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claims of Edward F. Goltra against the United States arising out of the taking of certain vessels and unloading apparatus, which was, on page 2, line 6, after the word "apparatus", to insert a comma and the words "but no suit shall be brought after the expiration of 1 year from the effective date of this act."

Mr. STEPHENS. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

#### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from Walter Beachler, Sr., and Walter Beachler, Jr., of Frontier, Wyo., praying for the passage of the bill (S. 2926) to equalize the bargaining power of employers and employees, to encourage the amicable settlement of disputes between employers and employees, to create a national labor board, and for other purposes, and also other legislation in the interest of labor, which was referred to the Committee on Education and Labor.

Mr. METCALF presented the memorial of 120 citizens, being employees of the Linwood Lace Works, of Washington, R.I., remonstrating against the passage of the bill (H.R. 8687) to amend the Tariff Act of 1930, which was referred to the Committee on Finance.

Mr. CAPPER presented letters in the nature of petitions from officers of Topeka Local Union, No. 96, Brotherhood of Painters and Decorators, of Topeka; Local Union, No. 918, Brotherhood of Carpenters and Joiners of America, of Manhattan; and Local Union, No. 343, Typographical Union, of Fort Scott, all in the State of Kansas, praying for the passage of the so-called "Wagner-Lewis bill", being the bill (S. 2616) to raise revenue by levying an excise tax upon employers, and for other purposes, which were referred to the Committee on Finance.

Mr. WALSH presented a resolution adopted at a recent meeting of the Plymouth County (Mass.) League of Sportsmen's Clubs, comprising approximately 2,500 members, protesting against the passage of legislation affecting the use and sale of repeating firearms for sporting purposes, which was referred to the Committee on Commerce.

#### REGULATION OF STOCK EXCHANGES

Mr. WALSH. Mr. President, I present and ask that there be printed in full in the RECORD and appropriately referred a resolution adopted by the Associated Industries of Massachusetts in opposition to the proposed National Securities Exchange Act of 1934.

There being no objection, the resolution was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

ASSOCIATED INDUSTRIES OF MASSACHUSETTS,  
 Boston, April 10, 1934.

Hon. DAVID I. WALSH,  
 Senate Office Building, Washington, D.C.

MY DEAR SENATOR WALSH: At the regular meeting of the executive committee of the Associated Industries of Massachusetts, held at Boston, April 6, 1934, the following resolution was unanimously adopted, which is respectfully referred to your consideration:

#### Resolution

Whereas there is now pending before the Committee on Interstate and Foreign Commerce of the United States House of Representatives the proposed National Securities Exchange Act of 1934; and

Whereas in the opinion of the Associated Industries of Massachusetts, an organization of manufacturers with more than 1,200 members employing approximately 300,000 persons, this proposed bill would give to the Federal Government bureaucratic power over private industry and finance far beyond that reasonably necessary for effective regulation or control of stock-exchange activities and practices: Now, therefore, be it

*Resolved*, That the Associated Industries of Massachusetts is emphatically opposed to the passage of the proposed legislation for the reasons that it gives direct control to the Federal Trade Commission over the business of corporations whose securities are listed upon the stock exchange and, through rules and regulations which might be adopted by the Commission, over the business of all corporations whether their securities are listed or not, that the provisions relating to proxies would result in great expense and inconvenience, that the value of unlisted securities would be seriously impaired by the provisions of the bill limiting their use as collateral for loans and for the further reason that the bill as a whole goes a long way toward vesting in the Federal Government the power to regulate and control the sources and uses of all credit and capital in business and industry;

*Further resolved*, That a copy of these resolutions be sent to the Committee on Interstate and Foreign Commerce of the House of Representatives and to each Senator and Representative from the Commonwealth of Massachusetts.

Very truly yours,

O. L. STONE, General Manager.

#### WAGNER LABOR BOARD BILL

Mr. WALSH. Mr. President, I present and ask that there be printed in full in the RECORD and appropriately referred a resolution adopted by the Massachusetts Press Association, Inc., in opposition to the passage of the labor disputes bill.

There being no objection, the resolution was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

MASSACHUSETTS PRESS ASSOCIATION, INC.,  
 March 28, 1934.

Senator DAVID I. WALSH,  
 Senate Office Building, Washington, D.C.

DEAR SENATOR WALSH: At a meeting of the Massachusetts Press Association held in Boston on March 26 the Wagner bill was fully discussed and the following resolution adopted:

*Resolved*, That the Massachusetts Press Association go on record as opposed to the provisions of the Wagner bill on which hearings are being held before the Senate Committee on Education and Labor and that the Massachusetts Senators and Representatives be informed of this action on the part of the newspaper publishers of Massachusetts."

Yours very truly,

W. F. TWOMBLY, Secretary.

#### ADMINISTRATION OF C.W.A. FUNDS AT FORT DEVENS

Mr. WALSH. Mr. President, I present and ask that there be printed in full in the RECORD and appropriately referred a resolution adopted by the Lieutenant Laurence S. Ayer Post, No. 794, American Legion, of Fitchburg, Mass.

There being no objection, the resolution was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

LIEUTENANT LAURENCE S. AYER POST, No. 794,  
 Fitchburg, Mass., April 8, 1934.

Senator DAVID I. WALSH,  
 Senate Office Building, Washington, D.C.

MY DEAR SENATOR: In response to a feeling of indignation that has been developing throughout this section for some time, and with a hope that the outrageously unfair method of conducting the operations at Fort Devens may be corrected, and that the hundreds of our citizens who are ruthlessly thrown out of work to satisfy owners of labor-saving devices, we, members of the Lieutenant Laurence S. Ayer Post, Veterans of Foreign Wars of the United States of America, in meeting assembled this 8th day of April, after due and careful deliberation and in possession of ample information, have gone on record as favoring the following resolution:

*Resolved*, That our representatives in the Congress of the United States be notified of the injustice that is being practiced upon the people of this vicinity by the administrator of the C.W.A. funds at Fort Devens through the importation of all forms of labor-saving devices, such as steam shovels, heavy-duty trucks, graders, bulldozers, etc., a practice which has been directly responsible for the reduction of man power on one single project from 500 laborers to less than 50 laborers. That the continuance of the policy established by the administrator at Fort Devens will mean a large increase in the public-welfare lists, and that great suffering is already apparent in a great many instances in the group that have been so unfairly discharged; and be it further

"Resolved, That our representatives in Congress be asked to correct this condition immediately, so that our citizens may in some small measure be benefited by the great humanitarian act of our President in allocating this money to this section for the relief of our needy citizens; and be it further

"Resolved, That we request our Senators to have this resolution made a part of the CONGRESSIONAL RECORD and brought to the attention of all Senators in Congress."

Sincerely yours,

JAMES M. SHARP, *Commander.*  
DANIEL A. NOONAN, *Adjutant.*

#### REPORTS OF COMMITTEES

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which was referred the bill (H.R. 7425) for the inclusion of certain lands in the national forests in the State of Idaho, and for other purposes, reported it without amendment and submitted a report (No. 727) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (S. 1358) to provide for the improvement of the approach to the Confederate Cemetery, Fayetteville, Ark., reported it without amendment and submitted a report (No. 728) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 2204. An act for the relief of James Johnson (Rept. No. 729); and

S. 2883. An act for the relief of Mike L. Sweeney (Rept. No. 730).

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma (by request):

A bill (S. 3382) to cover the handling of Osage Indian alcoholics and narcotics; to the Committee on Indian Affairs.

By Mr. METCALF:

A bill (S. 3383) for the relief of Rocky Brook Mills Co.; to the Committee on Claims.

By Mr. BROWN:

A bill (S. 3384) granting a pension to Eliza Manzer; and  
A bill (S. 3385) granting a pension to Connell Perkins; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 3386) for the relief of Capt. Samuel C. Samuels; to the Committee on Claims.

A bill (S. 3387) for the relief of Hensley D. Benton; and

A bill (S. 3388) for the relief of Leslie V. Patterson; to the Committee on Naval Affairs.

#### HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on Claims:

H.R. 1977. An act for the relief of R. A. Hunsinger;

H.R. 2340. An act for the relief of Russell & Tucker and certain other citizens of the States of Texas, Oklahoma, and Kansas;

H.R. 2669. An act for the relief of Paul I. Morris;

H.R. 3463. An act for the relief of Walter E. Switzer;

H.R. 3502. An act for the relief of the estate of William Bardel;

H.R. 3851. An act for the relief of Henry A. Richmond;

H.R. 4082. An act for the relief of John J. Corcoran;

H.R. 4269. An act for the relief of Edward J. Devine;

H.R. 4274. An act for the relief of Charles A. Brown;

H.R. 4390. An act for the relief of R. W. Dickerson;

H.R. 4444. An act for the relief of Lt. James Floyd Terrell, Medical Corps, United States Navy;

H.R. 4447. An act for the relief of Vertner Tate;

H.R. 4533. An act for the relief of the widow of D. W. Tanner;

H.R. 4541. An act for the relief of George Dacas;

H.R. 4611. An act for the relief of Barney Rieke;

H.R. 4690. An act for the relief of Eula K. Lee;

H.R. 4927. An act for the relief of C. J. Holliday;

H.R. 4929. An act for the relief of J. B. Trotter; and

H.R. 6890. An act for the relief of Mrs. Pleasant Lawrence Parr.

#### EDUCATION AND CRIME—ADDRESS BY SENATOR COPELAND

Mr. BULKLEY. Mr. President, the senior Senator from New York [Mr. COPELAND] recently delivered in Ohio two notable addresses on the subject of Education and Crime. These are part of an active campaign to combat juvenile delinquency and to stimulate educational institutions to give greater emphasis to character and behavior rather than to classroom achievement.

The first of these addresses was delivered before the National Education Association at Cleveland on March 8 and has been printed in the CONGRESSIONAL RECORD, commencing at page 3963.

I now ask unanimous consent that the address by the Senator from New York delivered before the Citizens' Conference on the Crisis in Education, in cooperation with Ohio State University, at Memorial Hall, Columbus, Ohio, on April 6, be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

#### EDUCATION AND CRIME

Ladies and gentlemen, good morning, this meeting is significant, coming as it does at the time of a great crisis in education. And it is timely because the Nation is now in the midst of many investigations and studies. We are striving, for example, to find the causes for crime and seeking the remedies for its cure. I deeply appreciate the opportunity of being with you today, because it is my desire to give you some of our experiences and to ask for your advice. We believe that the citizens of the United States can help and will cooperate with our educational institutions in the great responsibility we are placing upon them.

Juvenile delinquency is a million times more dangerous to our Nation than the combined effort of all the roving criminals sought after by the police. In fact, criminology teaches that the career of a hardened criminal of today may be traced back to acts in a youth that was misdirected or had no direction at all.

How can we prevent the early development of these antisocial tendencies? This is the first question I want to put before you.

Bear in mind that every time a "Dillinger" is captured or killed, it has cost society thousands of dollars and days of fear. While we are striving to deal with one gangster, a thousand criminals are in the making. We pluck leaves from the tree of crime when we should put the axe to the root. As I see it, one of the most vital means of combating this growing evil is through the organized effort of the public schools and the united cooperation of the citizens of our Nation by giving our educational agencies their whole-hearted support. Teachers have it in their hands, not only to deepen the culture of our people, but also to elevate the standard of national righteousness.

Is this a reason for giving them our support? Is it worth while? Can we do it? How can we do it? I shall leave that for you to answer.

#### CRIME AND ANTISOCIAL PRACTICES

Last year a Senate subcommittee, of which I have the honor to be chairman, began an investigation of so-called "rackets." It soon became evident that the whole problem of crime was involved in one investigation. That led the committee at once into a field whose boundaries are shifting and indistinct.

In the legal sense, crime is an offense against the law, but the law lags behind the control of practices that are not in harmony with the best interests of society. What we know as crime is really the recognition of the symptoms of social malpractices that are deeply rooted in wide-spread antisocial attitudes. A study of symptoms is an essential first step, and a treatment of those symptoms which may give temporary relief. But in the last analysis, a permanent cure for crime can be effected only by treating and removing its underlying causes.

In the course of our investigations, we called in outstanding men of long experience in dealing with crime and criminals to testify at a series of hearings. Many suggestions were offered looking toward improvement in law-enforcement procedures and in the treatment of offenders against the law. The gist of these suggestions is incorporated in some 20-odd bills now pending in Congress. By this legislation we hope to curb the activities of gangsters and racketeers, and to give the public more adequate protection against their depredations.

#### MONEY COST OF CRIME

It is probable that few of us realize the extent of those depredations. In terms of money, conservative estimates indicate that crime costs this country about \$13,000,000,000 a year. That is 25 cents out of every dollar of our national income—\$400 a second, day and night. One year of crime would pay the salary of the President of the United States for 17,000 years; one year of crime would pay the total expenses of our National Government, the cost of public education throughout the country, and leave more than enough to cover the war debts owing to the United States—debts that have threatened the economic stability of the world.

A cut of 6 percent in our annual tribute to crime would equal the amount required to give every teacher in this country an increase in salary of \$1,000 a year. Since one third of our teachers, as pointed out in your resolutions, receive less than the sum

specified in N.R.A. codes for unskilled labor, an increase of \$1,000 would go far toward giving teachers that feeling of economic security which is so essential to effective service in any walk of life.

An additional cut of 4 percent would be equal to the amount required to add 20 percent to our present annual budget for public schools. That 20-percent increase would more than restore the cuts in school budgets suffered during the depression—cuts which have so reduced the resources of the schools that three and one half million children have been deprived of the opportunity to go to school.

It is said that 90 percent of crime can be traced to 10 percent of our area. A reduction of another 10 percent in our crime bill would enable communities to replace crime-breeding tenements and shacks with 300,000 five-room houses yearly.

Cut crime 20 percent and teachers can be paid decent salaries, 3,500,000 children can go back to school, and 300,000 families can move out of depressing hovels into sanitary, sun-lit homes. Need I ask you if that is worth while?

#### CURRENT MALADJUSTMENTS

The money cost of crime is a terrific burden which affects the well-being of every home in the country. But that cost, staggering as it is, fades into insignificance in comparison with the social cost of antisocial practices that permeate our whole social fabric—costs in human suffering, in wasted lives, in sordid ideals, and in vain pursuits. Many of those practices cannot be reached by legislation.

Having in mind that nothing short of a Nation-wide campaign could clear the moral atmosphere, a digest of the hearings was prepared and is being distributed widely. It would give you fresh courage, as it has given me renewed inspiration to carry on, if you could read the high-minded and broad-visioned contributions we have received in response to our request for suggestions and help. Leaders in business, government, education, and social-welfare activities have taken time out of their busy days to write long letters which are a rich mine of pertinent facts, of sane policies, and of specifications for practical procedures. The underlying harmony of spirit displayed in these letters shows unmistakably that our people are sane and sound in heart. I wish I could bring to you the spirit, as well as the content, of the testimony offered at the hearings and of the letters we have received relative to those hearings. The best I can do, however, is to give you a brief statement of certain significant trends of thought which our investigations have revealed.

#### INDIVIDUALISTIC CODES AND SOCIAL MACHINERY

Not so very long ago Horace Greeley said, "Go West, young man." There our people found ample release for their energies, and there they built their homes. As the frontier lands disappeared we displayed a marked degree of ingenuity and vision in building up a material equipment that gave employment to our ever-increasing millions. In our work life we abandoned the individualistic self-sufficiency of the pioneer and committed our fortunes and our lives to a complex fabric of interdependent relations. But with all our forehandedness in devising social machinery to supplant pioneer methods, we made the fatal blunder of failing to develop social codes of conduct to supplant the individualistic codes of the frontier.

Our social machinery, based upon division of labor and exchange of the products of specialized skill and knowledge, can function effectively only in an atmosphere of mutual confidence and cooperation. On the other hand, our individualistic codes of conduct, survivals from pioneer days when men engaged in a hand-to-hand conflict with nature in their struggles to conquer a continent, place the stamp of approval upon each one employing all his cunning and influence to get as much for himself as he can. In a word, our social machinery demands that we all pull together; our individualistic codes approve of each citizen feathering his own nest. The two won't mix.

This maladjustment between our individualistic codes and our social machinery lies at the grass roots of our difficulties today. There must be a readjustment that will bring our codes of conduct into harmony with the social machinery by means of which our people make a living and live a life.

#### MECHANICAL READJUSTMENTS

When a difficult situation arises, we, as a people, true to the mechanical spirit of the age, look first for mechanical readjustments. In the economic field labor unions and employers' associations busy themselves with setting up rules to regulate their relations. In the political field we search for ways to alter the machinery of government, in the hope that thereby we may so regulate affairs that we can go about our business without concerning ourselves further about them. We proceed with great diligence to pass laws to meet situations as they arise, piling up statutes upon statutes, overlapping, conflicting, and contradictory, until even the most astute of lawyers are nonplussed in their attempts to wend their way through the intricate mazes of legal enactments and judicial decisions.

All these mechanical arrangements—economic, political, and legal—by means of agreements, rules, regulations, laws, constitutional amendments, codifications, and simplifications of law-enforcement procedures—all these are useful and indeed necessary to meet critical situations, but they are totally inadequate to effect a permanent change in the minds and hearts of men. Permanent improvement will be delayed until men, abandoning the code of the jungle, accept in their hearts a common social code of fair

dealing and mutual helpfulness. This change is to be secured only through a long-range program of education that functions in the day-by-day life of the individual and of the community.

#### EDUCATIONAL READJUSTMENTS

A readjustment through education involves a thorough resurvey of our educational aims and practices. Schools and colleges we have had with us these many years. No people in the world have been so thoroughly and persistently beschooled as have the people of these United States. With all our efforts to develop an enlightened citizenry, however, we find ourselves today facing a situation of insecurity and unrest such as our fathers were never called upon to face. We point with pride to our large-scale enterprises in production, transportation, commerce, and finance, and are prone to attribute our achievements in large measure to our system of free public schools.

I may say to you that there is evidence, in the testimony at the hearings of my committee and in our correspondence, a strong disposition to place a large share of responsibility upon the schools for having failed to develop the right kind of social attitudes among our people. We are told that this failure has resulted in a horde of antisocial practices which bid fair, if unchecked, to wreck the social machinery we have built up with such care and of which we are so justly proud.

#### INDIVIDUAL DIFFERENCES IN APTITUDES

One of the obvious facts of life today is the wide range of differences between individuals. These differences have been accentuated through the extensive development of division of labor, and, at the same time, division of labor has itself been further promoted by an ever-increasing array of individual differences. In the industrial world, these differences are accepted as a matter of course, and men are graded and placed largely in accord with their individual aptitudes and skill.

To a layman, the schools seem to present an entirely different picture. A recent bulletin of the Bureau of Education reports that library shelves are loaded with books on individual differences, and on the need for taking these differences into consideration in the organization of curricula and in the conduct of instruction. Educators have been reading and talking about individual differences for 20 years or more, but it seems that the schools have done next to nothing about it. From all reports they still grind pupils through prescriptive curricula, more or less regardless of individual interests, aptitudes, or abilities. Chief Justice Holmes once said that the greatest inequality is to give equal treatment to unequals. It appears that schools measure success or failure in terms of achievement in various prescribed subjects of instruction—subjects prescribed with little or no reference to the needs and capacities of individual children. With all this equal treatment of unequals so far as aptitudes are concerned—the one area in which equal treatment is inappropriate and in which individualization should be the paramount consideration—they leave largely to chance experience and contacts. I refer to the matter of developing codes of conduct in harmony with the problems and responsibilities of the day.

#### SOCIAL CODES

It is trite to say that people differ in aptitudes, and that both the individual and society are best served when each individual finds opportunity, in school and out of school, to do the socially useful things that he can do best. This is quite another matter, however, from saying that each one should be left free to conduct himself as he pleases regardless of others.

Charles Lamb said that he "prayed night and morning for some all-absorbing purpose to blaze in his sky like a midnight sun." That is the outstanding need of our people today. But it is not enough that the purpose be all-absorbing. It must be a common purpose that unifies the thought and action of all the people and a purpose that makes for national survival. Develop individual aptitudes, by all means, but it is equally important to develop a common code of conduct which insures that all will benefit from the special aptitudes of each. Can the schools do that?

Medical schools are an outstanding example of reasonable success in impressing a common code of ethics in medical practice. It may not be the best code possible, but the medical profession demonstrates that codes of conduct are not only desirable, but that they can be established and reasonably well followed.

Unfortunately the curricula of medical schools do not seem to give adequate consideration to individual aptitudes. The student who lacks the ability or the means to qualify as an M.D., but who is attracted to the medical field, finds no definite provisions made for him to qualify for some intermediate position. He must go the full route or fail. This is a waste of human resources which could be avoided if every school undertook to make something of everyone admitted, and exercise due vigilance in admitting only those for whom they could make provision.

Training for the law, for business, for engineering, for agriculture, for the trades, and for all other human occupations, should involve adequate consideration for individual aptitudes on the one hand, and for common codes of conduct on the other.

This means, of course, there must be socialized individual instruction. The individual side has to do primarily with occupational preferences and aptitudes. The socialized side has to do with standards of conduct in human relations regardless of preferences or aptitudes.

This brings us back to the problem of correcting, through education, the lack of harmony between our social machinery and

our codes of conduct. We must have a regeneration of education before we can have a readjustment through education.

#### SCHOOL CURRICULA

School curricula must be revised. Probably some of the courses should be eliminated, and the number of students in other courses limited to those who show special interest in them, or need for them. It may be found desirable to extend materially opportunities for work in occupational and related subjects in order to minister to the interests and needs of boys and girls who are now suffering the ignominy of failure in school, or who are out of school because of the irksomeness of school work.

Also, there is a gap between the time of leaving the public schools and the time when profitable employment can be secured. This gap is not to be filled by simply extending required school attendance to 18 or 19 years of age. It can be filled effectively only by offering opportunities for training that meet the interests and needs of those it is hoped to reach. Not more education in matters that we grown-ups think may be useful sometime, but better education in matters that boys and girls recognize as being useful to them here and now is the kind of education that will hold them in school and set them definitely on the road toward good citizenship. There is much to be said in favor of the policy of the old pioneer schoolmaster who said his way was "to begin with 'em where th're at and take 'em where they aint."

#### MOTIVATION AND GUIDANCE

This is not to be taken to mean that the blind and undirected preferences of children are to be accepted as indicating what is most useful to them here and now. They should not be left to themselves to choose what they shall do in school, no more than they should be left to themselves to choose what they shall eat. Hectoring or punishment in either case, however, is likely to be futile and harmful. No small part of the responsibility of parent or teacher is to mold and direct preferences, so that children accept them as their own. This is a matter of motivation and guidance in which no two children should be treated alike. It is as much a part of instruction to stimulate and guide the likings of children as it is to develop their skill and knowledge.

Morrison, I think it was, doubtless had this in mind when he said that teachers must learn their children before they can presume to teach them. The need for guidance has been preached by school men for, lo, these many years. They say teachers should devote half their time to a study of their pupils. I ask you, should they? and do they?

#### RECORDS OF ACHIEVEMENT AND OF BEHAVIOR

Motivation and guidance imply individual treatment. I believe you will agree with me that casual impressions and clever inferences afford a very inadequate basis for the treatment of individual cases. No competent physician would rely upon such fragile data in treating his patients.

When I was a boy grades were recorded and added up with a diligence worthy of a better cause, and a fraction of a percent might make the difference between passing or failing. A change for the better in grading practices is taking place, I am told. Dr. Ben Wood, of Columbia, has urged that grades based upon opinion be supplanted by grades based upon objective tests, the results of which are as plain to the pupil as they are to the teacher. Judging from the number and variety of tests published, they must be used extensively. As I understand Doctor Wood, however, the use of tests and records for purposes of detecting success or failure is the least significant feature about them. He proposes cumulative records of achievement, based on objective tests, which are to be used by the teacher continuously throughout the school career of the child as a means for determining the direction of his aptitudes and abilities. This is a meager statement of the utility of achievement records as a first aid in motivation and guidance, but, as a physician, it appeals to me as a matter of prime importance.

In the economy of life attitudes are as significant as aptitudes, and cumulative behavior records should be maintained with the same care that teachers now give to achievement records. When a student who is unreliable or overaggressive or opinionated is confronted with a series of recurrent incidents, extending over a period of time incident to revealing such traits, he can scarcely question the cumulative evidence. Each instance in itself may be trivial, and the teacher who placed emphasis upon an isolated instance would appear petty and carping. When seen together, however, the instances recorded carry a cumulative weight of evidence that is convincing, even to the individual who is himself involved. Cumulative behavior records also serve as a medium for recording desirable traits, and thus give a line both to teacher and pupil on strong points to be cultivated, as well as on our weaknesses to be curbed.

#### TEACHER TRAINING

These suggested changes in curricula content and in teaching practices indicate a profound shift in attention from the subject matter of instruction to aptitudes and attitudes—from book learning to personal efficiency and social conduct. To provide for such a desirable shift in attention the materials of instruction must be revised, provision for motivation and guidance must be made, and plans and specifications for achievement and behavior records must be formulated. This is a gigantic task which will require the cooperation and coordination of all the expert talent available for research, experimentation, demonstration, and publicity.

All this will be futile, however, no matter how well done, if teachers in the front line of attack cannot or will not apply it

effectively. A teacher-training program, in complete harmony with the aims and methods of the proposed "new deal" in education, must be set up and maintained with all the insight and skill that we can muster. It took us several decades to make the transition from pioneer self-sufficiency to present-day interdependence in our economic, political, and social life. We cannot expect to revamp our schools overnight, nor should we attempt to do so. What we must look for is growth, not violent transformation. We must have an orderly change of front all along the line, and the general public must understand the importance of that change and approve it, because the schools are helpless to do what needs to be done without their moral and financial support.

#### PUBLIC SUPPORT

Instruction directed toward individual aptitudes will involve material increases in school-operating budgets. You need no reminder that this additional support will necessitate a marked change in the attitude of the public toward the schools. Adequate financial support is vital, but it is no more vital than intelligent cooperation and moral support. At present the schools are largely stopped from discussing current social problems that cut across the grain of current social practices. Questions relating to the police and politics, to the spoils system in politics, or to the "rigging" of the market are taboo. Any attempts to build up social codes among pupils that will function in active life and that will enable them to meet their civic duties with intelligence as well as with good intents, are doomed to attain meager results so long as pupils are permitted to discuss in their classes only those topics that make no vital differences to anybody.

On the other hand, the public is entirely justified in questioning the competence of teachers to guide such instruction. The answer seems to be found in so training teachers that they will be recognized as competent, in placing in their hands instruction materials derived from such responsible sources that their validity cannot be challenged by any fair-minded standards, and in conducting a Nation-wide program of adult education that will bring the people at large to a realization of the need for supplanting our individualistic codes of conduct with social codes that make for harmony in our human relations. I realize that this is a large order, but the main point is not the size of the order. The real questions are these: Is it worth while? can we do it? and how?

Probably the most effective way to attack the problems of curricula revisions, teacher training, and adult education is to set up and conduct demonstrations of what can be done by intelligent and cooperative efforts. We might as well try to sweep back the ocean with a toothbrush as to attempt a Nation-wide campaign along the whole educational and community fronts. Even if we knew what were best to do and how best to do it, such a task would be beyond the capacity of the talent now available. On the other hand, a series of demonstrations, planned and conducted by groups of experts, and published with discretion, would seem to be the type of procedure that would be effective in modifying school practice and in enlisting the support of the public.

The Rochester Athenaeum and Mechanics Institute, under the leadership of President Randall and the expert guidance of Drs. Charters and Tyler of this great university, has been engaged for several years in developing programs and methods of instruction based squarely upon individual aptitudes and social attitudes. In a very real sense it is a community institution, its services functioning in the day-by-day life of the people of Rochester. Many other institutions are making great advances over current practice in education. I cite the Rochester Athenaeum here because it has attracted Nation-wide attention, because I have first-hand knowledge of what they are doing, and because I have derived from those connected with that institution substantial justification for the viewpoint I have revealed to you today.

We have set up in Washington, in connection with our crime investigation committee, an education and law conference. The services of various groups of experts will be requested from time to time to work out for the conference various problems and projects as they arise. It is not the intent of the conference to build up a large permanent organization but to maintain a mobile organization whose personnel shifts continuously as the problems and projects in hand change.

We are now engaged in developing in the schools of Washington a demonstration which we hope will have a Nation-wide significance as an exemplification of what can be done by coordinate, cooperative efforts. Drs. Charters and Tyler, with other well-known educators, are participating actively in the leadership of this demonstration along lines similar to their activities at the Rochester Athenaeum.

There is immediate need for a State-wide demonstration to show what can be done in the way of vitalizing and harmonizing educational activities in a large administrative unit. In view of the fact that Ohio State University has on its staff a group of men who have already demonstrated their competence in educational research and in the reorganization of teaching practices, it would seem to me peculiarly appropriate for this institution to undertake the development of a program for the State-wide revitalization of the schools of Ohio. I am fully aware of the fact that many other institutions in this country are fully competent to render a similar service. I hope that they, too, will take seriously to heart the betterment of our educational practices. More power to them if they do. But today I am laying this opportunity on the doorstep of Ohio State University because I think you ought to do it, because I believe you can do it, and because I know that President Rightmire and his associates want to do it.

The education and law conference will cooperate with you as fully as possible. In return we ask your active participation in the work of the conference. Let us go forward together to end juvenile delinquency by supporting the schools.

#### GOLD AND SILVER

Mr. LONG. Mr. President, I send to the desk and ask unanimous consent to have placed in the RECORD an article entitled "Gold and Silver" appearing in a Colorado newspaper.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Holy Cross Trail, Red Cliff, Colo., Mar. 23, 1934]

#### GOLD AND SILVER

By O. W. Daggett

When Hoover was making his campaign speeches for reelection, he stressed the honest dollar and the gold standard. We heard his Des Moines talk over the radio. It was so convincing that President Roosevelt not only followed his logic, but has gone not only one point but a dozen points better, and if Congress and the Senate gives him rope enough he will hang himself.

By his edict he has raised the price of the world's gold from \$20 to \$35 per ounce, or a 75-percent raise. We will wager that England, Russia, and other gold-producing nations are laughing up their sleeve the way they have put it over on Franklin and Eleanor.

England's possessions produce three fourths of the world's production of gold. South Africa alone produced last year at the old price of \$20.67 an ounce \$200,000,000 of the precious yellow metal, more than one half of the world's supply. At the new price this same gold is worth \$350,000,000. Mining in South Africa is very much the same as in the Black Hills. At the Homestake Mine the price of their stock advanced steadily during the depression and is still steadily advancing, although they are mining at a depth of nearly 5,000 feet. At the Homestake Mine they pay their labor good wages.

The gold output of the United States, including Alaska, was around \$60,000,000 last year. In South Africa there are employed in the gold mines 170,000 cheap native laborers. This is as many laborers as is employed in the United States in all kinds of mining, not including coal. In the Transvaal they are mining and milling ores of \$10 value and over, leaving millions and millions of tons of what was low-grade ore on the dumps and in their workings.

President Roosevelt's boosting the world's price of gold will enable the South African mine owners to mill a greater tonnage at a lesser cost per ton and a profitable price on their low-grade ore. Under such a stimulation it is only natural that their output in gold ounces will be doubled or trebled. Their low-grade ores are unlimited. Then with a doubling of price the gold output of South Africa should reach over a billion of dollars of gold. South Africa alone will produce more ounces of gold per year than we produce ounces of silver per year in Colorado, which last year was under 2,000,000 ounces.

We have no large bodies of silver ore in America. Ordinarily for centuries the production of gold and silver has been about 15 to 1 in ounces. With the present turn of affairs, in a few years the ratio will be reversed. We have no strictly silver mines in the United States. At one time we had a silver mine at Aspen, one or two in Leadville, a wonder silver mine in California, a silver chimney of ore in the upper end of the San Luis Valley. But our silver mines with depth all turned to complex ores in combination with copper, zinc, and lead. Silver now is nothing more than a byproduct, with its output limited by the demand for copper, zinc, and lead, the markets for which at present are depressed.

Leadville, the greatest silver-mining camp of history, in the past 55 years has produced about \$550,000,000 of gold and silver, one third of which has been gold; about \$350,000,000 silver, most of the production being at the rate of \$1.29 per ounce in an early date when the production was the heaviest. And at the present gold prices miners will turn their attention to gold mining instead of silver mining, and we are playing the goat advancing the price of foreign gold and taking all that is offered.

Suppose, instead of doubling the price of gold for the benefit of the nations of Europe, where they have a surplus of many things, and can supply themselves—suppose that Franklin D. had doubled the price of the world's silver. We could have taken a billion dollars or two of silver from the Orient and given them in exchange many articles that we manufacture that they need, and cannot produce.

Franklin D.'s "brain trust" has just put him in the same predicament on the gold and silver situation as his Army and Navy advisors put him in on our air-mail flying, only his money scheme will be a Nation-wide disaster.

#### CARRY ON!

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in full in the RECORD a letter written by the late James Kerney, editor and publisher of the Trenton (N.J.) Times, to his three sons.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Trenton (N.J.) Times, Monday, Apr. 9, 1934]

#### CARRY ON!

(The following letter was written by Judge Kerney to his three sons:)

MY DEAR SONS: I am naturally much interested in the kind of things you write about. And yet I wonder if any of you realize the magnitude of the undertaking of preparing yourselves for the job of newspaper running. It is the most fascinating game of them all, and it is also the most exacting. It requires not only enormous patience, but great human understanding and endless industry if it is to be done right.

First, there is the making of the paper itself; the news and editorial departments. They require courage at the right time and charity at all times. You are always dealing with frail human nature, and your work is spread before the critical eye of the public every day. There is no place to hide. You are always on parade. There is entirely too much disregard in most newspaper offices for the poor and unimportant. They are the folks who most need generous consideration, and at the same time the duty of the paper must ever be kept in mind.

That duty, first of all, is to give the public the actual news of what is happening, impartially and without bias. No other calling, not even the church, has a greater obligation—or, if it has, meets it with such courage. Back of the news should be the reputation of someone for outstanding honesty and courage to do the right, but to do it fairly and with a due regard for human weakness. There is no human perfection, and newspaper judgment is not always right. But it is the clear duty of the newspaper man to make an honest endeavor to do the right as God gives him to see the right.

The editorial end is the second line, and there not only fearlessness but a decent regard for others is essential. What is the square thing and what is the best thing for the community should ever be uppermost in the mind of the editorial director.

And when you have made a good newspaper, and have kept in mind all that is owing to the community, in the way of leadership and generous giving to things that make for a better place, comes the problem of mechanical production. That can only be acquired by patient study and close attention to details.

When you have the product ready, the next step is to get it distributed—circulation. That, too, needs the closest attention, in order that every possible reader may be garnered. Of what use is it to produce a newspaper, with lots of character behind it, if you are not going to have the widest distribution?

Lastly comes the gathering of the advertising, which, too, must be done with a decent regard for the merchants and others with whom you are dealing. They are apt to think only in terms of dollars, which is natural, as they have to pay the freight. Always remember that they are entitled to consideration, and try to put yourselves in their shoes. They struggled hard to make financial headway and they have a right to feel that everything should be done to see that they get their money's worth. My policy with them has always been that, unless they find advertising with us profitable, we do not want their business; we are not beneficent monks. Where they can be properly favored I am for doing it; in that way I have always gotten along well with them. They know I am anxious for them to succeed, because, unless we can help make a fine city, where labor is well paid and people are comfortable and happy, we have failed in our job.

Always keep in mind that in our business, which covers every line of human endeavor, everything is grist to the old mill. If you get a chance to spend a night on a yacht, grab it; but don't get the yacht habit, which is useless. The experience of being on a yacht will some day come in good stead. The best experience I ever had was working as a boy in a grocery store. We not only had to know all about everything from soda crackers to mackerel but we also had to learn to be patient and polite to the buyer, no matter how humble or how finicky. Then I worked in a shipping office, where we had to be just as polite to a stevedore prospect as to the purchaser of the suite de luxe. We needed them all to fill the ships. We need them all to fill the newspapers.

Always keep simple; never get "high-hat"; a pleasant word costs nothing and good manners cannot be put on for state occasions. If you are not polite to the waitress, you will sometimes fail to be polite to the hostess. And, as Kipling remarked, they are all alike under the skin. Industry and good manners are the best of all virtues.

Keep a sense of humor and be kind to everybody. Don't develop superior traits, even if you feel you are superior. The smartest folks I have known have been the simplest; those who understood that we were living in a dumb world, but made the best of it. Be affable to "damphools" who think they are important; you never can tell where and when they can do you a good turn. Nobody is really of much importance, because the whole life of the greatest man is brief. Always keep in mind that life is too short for you to be small.

Our office has sometimes been impatient with me because I happened in the newsroom when some poor, hard-driven soul was pleading to keep a line out of the paper about her boy—never a bad boy, mind you—but it would embarrass her in the neighborhood if the paper printed the fact that Johnny was drunk and had been given 10 days on the farm or fined \$3. What difference does it make if poor Johnny, working as a truckman, did get tight and was picked up by a cop? They are the kind of poor devils who should have a little charity shown to them. The more kind things you do, the happier you will be. The real

business of a newspaper is protecting the public from outrages, from politicians, and rich high-binders, who live as smug leaders of the community while they lift your watch.

Let me reiterate: Every contact you make in life will some day come in handy in a profession that deals with every phase of life. Sometimes a policeman will give you one of your best beats; other times it may come from a judge; if you are always polite, you will find yourselves cashing in along lines you little dreamed of. I recall one election night in the old True American office. They had all the returns complete save only Union County. Savory, who was a great news editor, was tearing his hair as the press hour approached. I had been working like a beaver all night on local tables and he finally appealed to me to know if there wasn't some way I could get the finals from Union County. I went to the telephone and called a number in Elizabeth, and, after a few pleasant words, asked the other end to dig up the missing districts. "All right, Jimmy", said the voice and in 20 minutes he called back with everything complete. When Savory heard me say, "Good night, Governor, I'll give you a pleasant mention in the paper some day for this", he almost dropped dead. Then he came to and asked, "Who got these for you?" And I told him my friend, Governor Voorhees. He almost wept with joy. Then I informed him that I had a working understanding with the Governor, by which I went to the statehouse early every morning and opened all his personal mail, so that I might get a few early wire stories for the Newark News to buy bread for my babies. He was flabbergasted. So make every contact you can, high or low; life is the great thing after all.

Affectionately,

FATHER.

It is our aim to follow the principles set forth in the above letter.

THOMAS L. KERNEY.  
JAMES KERNEY, JR.  
JOHN E. KERNEY.

#### RELIEF OF DEBTORS IN BANKRUPTCY PROCEEDINGS

Mr. VAN NUYS. Mr. President, I ask unanimous consent that House bill 5884 may be made the unfinished business of the Senate.

The VICE PRESIDENT. The Senator from Indiana asks unanimous consent that House bill 5884 be made the unfinished business of the Senate. Is there objection?

Mr. KING. Let the bill be reported.

The VICE PRESIDENT. The clerk will report the bill by title.

The CHIEF CLERK. A bill (H.R. 5884) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

Mr. McKELLAR. Mr. President, reserving the right to object, I should like to inquire how long will it take to dispose of that bill?

The VICE PRESIDENT. The Chair understands the bill is not to be considered at the moment, but that the desire is to make it the unfinished business. Then the Chair expects to recognize the Senator from Alabama [Mr. BANKHEAD] to take up the conference report, if that shall be agreeable to the Senate.

Mr. McNARY. Mr. President, I inquire who offered the bill and what is the nature of the request?

The VICE PRESIDENT. The Chair understands the request is to make the unfinished business the so-called "bankruptcy bill", which has been reported unanimously from the Committee on the Judiciary, and is in charge of the Senator from Indiana [Mr. VAN NUYS].

Mr. REED. Mr. President, if the Senator from Oregon will yield for a moment—

Mr. McNARY. I yield.

Mr. REED. I have examined the bill; I do not believe it is going to take very long to pass it, and I hope that the motion of the Senator from Indiana will be agreed to.

Mr. HARRISON. Mr. President, as I understand, the Senator from Indiana intends only to have the bill made the unfinished business, then to let the conference report come up, following which it is desired to have the bankruptcy bill go over until the next meeting of the Senate.

Mr. REED. That, I think, is the understanding.

The VICE PRESIDENT. Is there objection to the request of the Senator from Indiana?

Mr. McNARY. Mr. President, I am not prepared to give my consent until I have a further understanding regarding the program which I thought we had agreed upon yesterday, namely, that today the Senate would meet, take up the

conference report on the Bankhead bill make the air mail bill the unfinished business, and recess until Tuesday. If there is any change in the program, I should like to know about it.

Mr. HARRISON. Mr. President, I want to say to the Senator that it is not proposed to insist upon the consideration of the bankruptcy bill but merely to make it the unfinished business; that then the conference report on the Bankhead bill shall come up, and then, when the consideration of the conference report shall have been concluded, to recess over until Tuesday.

Mr. McNARY. Very well.

Mr. HARRISON. Granting the request of the Senator from Indiana will not interfere, I am quite sure, with the aviation bill.

Mr. NORRIS. Mr. President, while the leaders are discussing as to what is going to happen, and what bill is coming up next, I want to call their attention to the joint resolution proposing to amend the Constitution, which is now on the calendar, a resolution proposing to do away with the Electoral College. I have talked several times with the leader of the majority, who is detained on account of illness in his family, about securing consideration for that joint resolution. I do not want to interfere with any program that may have been agreed upon by the Senator from Mississippi and the Senator from Oregon; but I should like to say that, while it is my desire to cooperate to the fullest extent, the joint resolution ought to be taken up—and I have such an understanding—at some time and considered. It ought not to be done just on the eve of final adjournment because, of course, it has to be passed by the House.

Mr. HARRISON. I am sure the Senator will have ample time to call up the joint resolution.

Mr. NORRIS. I do not want to agree in advance on what we are going to take up from day to day because I think the joint resolution, which was reported a long time ago by the Judiciary Committee, is entitled to consideration somewhere in the program.

Mr. HARRISON. I think the Senator is right. The Senator from Indiana [Mr. VAN NUYS] does not intend to proceed with his measure today, but merely to have it made the unfinished business.

Mr. NORRIS. I understand that, but I also had the impression that there is an understanding that after the bill which the Senator from Indiana has in charge shall have been disposed of another measure is going to be interjected and made the unfinished business of the Senate. I do not want to agree to any such understanding as that.

Mr. HARRISON. There is no unanimous-consent request relating to that.

Mr. FLETCHER. Mr. President, I understand if the bill in charge of the Senator from Indiana shall be made the unfinished business it will not come before the Senate until 2 o'clock, so we will have the morning hour to devote to the other questions which may properly come before the Senate.

Mr. NORRIS. I should not object to taking up my joint resolution in the morning hour if we had one, but we are not having a morning hour very often. I should dislike to depend on the morning hour for consideration of the joint resolution because there may be a great deal of discussion of it, and it could not be disposed of that easily.

Mr. BORAH. Mr. President, may I ask Senators on either side of the Chamber who have to do with arranging the program if we cannot have a calendar day without the limitation of unanimous consent?

Mr. HARRISON. Mr. President, would it not be satisfactory to the Senator from Oregon [Mr. McNARY], when we get through with our business today, to adjourn over until another day and then have a morning hour?

Mr. BORAH. We can have a morning hour in that way, but there are some bills on the calendar which cannot be passed in the morning hour. Why may we not have a calendar day so as to get through with the bills on the calendar? If many of the bills are to become laws, they must be passed through the Senate pretty soon, because

they have to pass the House before they can become laws. Is it not possible to have a day for the consideration of the calendar?

Mr. McNARY. Mr. President, the days on which we have considered bills on the calendar have been devoted to bills to which no objection was interposed. I thought the Senator wanted a morning hour so he could move to take up some bill on the calendar which would, of course, have to give way to the unfinished business when the hour of 2 o'clock arrived. Now, I understand the Senator from Idaho wants an entire day to be devoted to a call of the calendar. If the Senator has a bill he desires considered, I suggest that at some appropriate time he move to consider it and make it the unfinished business.

Mr. BORAH. Yes; and I know just how far I would get with such a motion. If we make the bill of the Senator from Indiana the unfinished business and I should move to take up another bill, and the motion were agreed to and the bill was under discussion at 2 o'clock, that would not give it precedence over the bill of the Senator from Indiana, would it?

Mr. McNARY. No.

Mr. HARRISON. I do not think we will take very long with the bill of the Senator from Indiana.

Mr. BORAH. Then we can have a morning hour on Tuesday?

Mr. HARRISON. When we conclude our business today it is my intention to ask for an adjournment until Tuesday, and that will give us a morning hour.

The VICE PRESIDENT. Is there objection to the request of the Senator from Indiana?

There being no objection, the Senate proceeded to consider the bill (H.R. 5884) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which had been reported from the Committee on the Judiciary, with amendments.

#### REGULATION OF THE COTTON INDUSTRY—CONFERENCE REPORT

Mr. BANKHEAD. Mr. President, I move that the Senate proceed to the consideration of the conference report on the bill (H.R. 8402) to place the cotton industry on a sound commercial basis.

The motion was agreed to; and the Vice President laid before the Senate the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8402) to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes, which was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8402) to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 5, 7, 8, 11, 13, 14, 15, 16, and 17.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 6, 9, 10, and 19, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert a comma and the following: "but if the President finds that the economic emergency in cotton production and marketing will continue or is likely to continue

to exist so that the application of this act with respect to the crop year 1935-36 is imperative in order to carry out the policy declared in section 1, he shall so proclaim, and this act shall be effective with respect to the crop year 1935-36. If at any time prior to the end of the crop year 1935-36, the President finds that the economic emergency in cotton production and marketing has ceased to exist, he shall so proclaim, and no tax under this act shall be levied with respect to cotton harvested after the effective date of such proclamation"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert a comma and the following: "for the crop year 1935-36, if the provisions of this act are effective for such crop year, that two thirds of the persons who have the legal or equitable right as owner, tenant, share cropper, or otherwise to produce cotton on any cotton farm, or part thereof, in the United States for such crop year"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "\$1,000, or by imprisonment for not exceeding 6 months, or both"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert:

"Sec. 24. The Secretary of Agriculture is authorized to develop new and extended uses for cotton, and for such purpose there is authorized to be made available to the Secretary not to exceed \$500,000 out of the funds available to him under section 12 of the Agricultural Adjustment Act."

And the Senate agree to the same.

E. D. SMITH,  
J. H. BANKHEAD,  
ARTHUR CAPPER,

*Managers on the part of the Senate.*

MARVIN JONES,  
H. P. FULMER,  
WALL DOXEY,  
CLIFFORD R. HOPE,  
J. ROLAND KINZER,

*Managers on the part of the House.*

Mr. THOMAS of Oklahoma. Mr. President, when this bill was before the Senate I received numerous telegrams calling attention to the fact that if the bill passed with a 5-year limitation, so far as the average is concerned, it would place my State sixth in the production of cotton, and if a 10-year average was relied upon my State could be third or fourth in the production of cotton.

When the bill came before the Senate an amendment was submitted striking out the 5-year average and providing for a 10-year average, and the Senate adopted the amendment. The conferees have stricken out the Senate amendment and referred the bill back to the 5-year average. I desire to take the time of the Senate to make clear the record upon which I supported the 10-year average.

I am opposed to striking out the 10-year average and going back to the 5-year average. What applies to Oklahoma applies likewise to all the newer cotton States—California, Arizona, New Mexico, and some of the other States which have begun producing cotton in the last few years.

I read to the Senate a telegram received on March 27 from Clarence Roberts, editor of a farm journal in my State:

OKLAHOMA CITY, OKLA., March 27, 1934.

Senator J. ELMER THOMAS,

*Senate Office Building:*

Sending you air-mail figures showing rank discrimination against Oklahoma in pending Bankhead bill. Five-year, instead of 10-year, average reduces amount of cotton we can produce tax free

by 20 percent. To prevent discrimination bill should be amended to include 10-year-average base.

CLARENCE ROBERTS.

The average was changed in the Senate to a 10-year average basis. Following the receipt of that telegram I received a letter from Mr. Roberts giving facts and figures in detail. I send his letter to the desk and ask that it may be read by the clerk.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

Mr. BORAH. Mr. President, before the letter is read let me ask the Senator from Oklahoma a question. Am I to understand that the Senator is objecting to the conference report?

Mr. THOMAS of Oklahoma. I have to object to the conference report because it proposes to change the 10-year average, as approved by the Senate, back to the 5-year average.

Mr. BORAH. The only way we can reach the matter is to send the bill back to conference.

Mr. THOMAS of Oklahoma. I realize it; but I must make my statement in justification for voting to send the bill back to conference.

Mr. SMITH. Mr. President, if the Senator from Oklahoma will allow me, I am thoroughly familiar with the contention he is making. My State of South Carolina, and other States, including Georgia, North Carolina, and Alabama, in the 5-year period have reduced their production to where the 5-year average basis has worked a far greater hardship on those States than it has on any other States, if there is a hardship on any State and if the objective of the bill is to be considered. Taking it over the 10-year average, South Carolina would possibly run up to about 1,000,000 bales. Taking the 5-year average, it would hardly be in excess of 800,000 bales. That would hold true also of North Carolina and Georgia.

In the meantime, the newer States have increased during the 10-year period, notably Texas, Oklahoma, Arizona, and New Mexico and certain parts of California, which have come into cotton production entirely within that period. So that though there may be a diminution on the part of the State of Oklahoma, to which the Senator refers, in the 5-year period, as compared with the 10-year period, that State certainly is given a greater amount in the quota than South Carolina, Georgia, North Carolina, or Alabama would have. So that what we lose is greater in comparison than what Oklahoma would lose; and the average certainly is in favor of Oklahoma State and the other Western States.

These figures can be substantiated by reference to the bulletin which has been gotten out, dealing with the supply and distribution of cotton, which gives a statement of the matter by years.

The PRESIDING OFFICER (Mr. LOGAN in the chair). Without objection, the clerk will read the letter submitted by the Senator from Oklahoma.

The legislative clerk read as follows:

THE OKLAHOMA FARMER-STOCKMAN,  
Oklahoma City, Okla., March 27, 1934.

Senator J. ELMER THOMAS,

Senate Office Building, Washington, D.C.

DEAR SENATOR THOMAS: Following my wire dated today may I present the figures which of themselves prove the rank injustice about to be done our State by the passage of the Bankhead bill.

This bill, as you know, is based upon a 5-year period "prior to the signing of the act" by the President. I assumed that period would cover the crop produced in 1933 and the 4 preceding years. However, I am informed by the office of the Secretary of Agriculture that the crop produced in 1933 would be excluded, and, hence, the base period on which quotas are to be computed would be the crops produced in the calendar years 1928 to 1932, inclusive.

May I call your attention to the significance of the exclusion of the year 1933?

When it came to working out a base on which the voluntary campaign just ended was based the crop of 1933 was excluded.

When I was in Washington in September I called this to the attention of officials, pointing out that it would be easier to determine the production of cotton in the 5-year period 1929-33 than for the period 1928-32. I was told frankly and without hesitation that 1933 would not be included for the reason that we planted too much cotton, having increased our acreage 30 percent.

I countered with the fact that during 1930, 1931, and 1932 we had decreased our acreage in Oklahoma, voluntarily, by approximately 30 percent. That fact, however, was quickly swept aside and I was given to understand that the question was not even debatable.

I consider that definite injustice was done Oklahoma in thus jumping a year to establish a base on which production in voluntary contracts is founded. Cotton was taken away from us and given to other States.

But if the A.A.A. has rendered the State an injustice in the matter, certainly no precedent has been established whereby a greater injustice should be done by the Congress.

Figures have just been released (which will bear the closest scrutiny) showing that on a base of 1928 to 1932, inclusive, Oklahoma has a 5-year average production of 1,071,706 bales, which would give us an estimated tax-free allotment of 761,706 bales. Such an allotment amounts to 7.61 percent of the national production. Such an allotment places Oklahoma sixth among the cotton-producing States.

I contend that a base figured on the 5-year average, 1928 to 1932, is highly discriminatory against Oklahoma. It is the particular 5 years of the past 11 years which give us the lowest possible quota and, in proportion, gives other States the highest possible quotas.

I likewise submit that a 10-year average is a much more reasonable, fair, and equitable basis on which to figure the different State quotas.

If we take the production of cotton by States for the past 10 years, 1924 to 1933, inclusive, we arrive at an average production for Oklahoma of 1,275,350 bales. This is an increase, as you notice, of more than 200,000 bales in our average annual production.

On the basis of a 10,000,000-bale production, this would result in an increase in our quota of cotton which could be grown tax free of more than 140,000 bales, or nearly 20 percent.

The thought may be unworthy, but it seems to me that this Bankhead bill, emanating as it does from the southeast part of the United States, was deliberately drawn up to give that section the largest possible advantage and at the same time to discriminate against us out West.

Consider for a moment just what the opportunity to grow 140,000 additional bales of tax-free cotton means to Oklahoma.

The tax is to be 50 percent of the value of the cotton. Let us say cotton is 12 cents. The tax thus becomes \$30 per bale. Thus the tax on 140,000 bales becomes \$4,200,000. In other words, the direct loss to farmers in Oklahoma from a measure based upon the 5 years 1928 to 1932 amounts to at least \$35 for every cotton-growing farmer in the State.

This is not a theoretical loss. It will be an actual loss unless the bill is amended, as it properly should be. It should be based on a 10-year average rather than on the years 1928 to 1932, which, as I have pointed out, results in the lowest possible quota which can be assigned to Oklahoma.

I know that every cotton farmer in the State as well as all business interests will expect you to use your utmost efforts to prevent this rank injustice being done the State.

Sincerely yours,

CLARENCE ROBERTS, Editor.

Mr. THOMAS of Oklahoma. Mr. President, I am opposed to the adoption of the conference committee report. If we can have an agreement that the yeas and nays may be ordered upon the question of agreeing to the report, I promise to detain the Senate but a few moments. I now ask that the yeas and nays be ordered upon that question.

The yeas and nays were ordered.

Mr. THOMAS of Oklahoma. Mr. President, this conference report discriminates against my State to the extent of 140,000 bales of cotton. If cotton should sell for 12 cents per pound each bale would bring \$60. One hundred and forty thousand bales of cotton each year, worth \$60 per bale, means an income to my State of \$8,400,000 per annum. If the bill is enacted into law the farmers of my State will be deprived of this income.

My State is the third largest cotton-producing State in the country. If we do produce the 140,000 bales to bring the number up to the 10-year average, then the farmers of my State will be taxed 50 percent of that \$8,400,000. So a tax falls upon the cotton growers of Oklahoma to the extent of \$4,200,000 per year.

Mr. President, I cannot stand upon the Senate floor and consent to this injustice being done to the farmers of Oklahoma. Upon roll call I find myself forced to vote "nay" against the adoption of the report.

Mr. President, in support of what I am saying I desire to read two or three telegrams to complete the record. I read a telegram from Carnegie, Okla., dated March 28, 1934 as follows:

HON. ELMER THOMAS,

*Oklahoma Senator, Senate Chamber, Washington, D.C.:*

The Nonpartisan Tax Association in session Carnegie, Okla., 114 present, requests Oklahoma be represented on conference committee Bankhead bill, and 10-year-average amendment by Senate be retained by all means instead of 5 years as originally written in the House.

I. E. NUTTER,  
L. L. WEST,  
DR. MALLORY,  
*Committee.*

I read to the Senate a second telegram from Oklahoma City, of date March 28, 1934, as follows:

Senator ELMER THOMAS,

*Senate Building, Washington, D.C.:*

Believe Bankhead bill unworkable and will cause considerably more hardship among farm labor than possible gain, but in any event Oklahoma been trying cooperate with wishes National Government past several years, and if allotment based on 5-year period means Oklahoma will be penalized 100,000 bales as against 10-year average urge you to work for amendment to 10-year average for benefit Oklahoma producers and industries.

A. E. KING.

I will read another telegram from Chickasha, Okla., as follows:

CHICKASHA, OKLA., March 28, 1934.

HON. ELMER THOMAS,

*Care Senate, Washington, D.C.:*

It is advantageous to Oklahoma have the Bankhead bill base on a 10-year average instead of 5. Please try get bill amended to such extent.

R. K. WOOTTEN.

I will read another telegram from Oklahoma City, as follows:

OKLAHOMA CITY, OKLA., March 28, 1934.

Senator ELMER THOMAS: In fairness to Oklahoma cotton farmers Bankhead bill should provide State quotas based on 10-year average instead of 5. Oklahoma farmers made drastic cuts 3 of 5 basic years.

H. J. DENTON,  
*President Oklahoma Agricultural Cooperative Council  
and Editor Oklahoma Cotton Grower.*

Mr. President, I might state that under the former administration the farmers of the South were requested and urged to plow up every third row of cotton; they were urged to curtail the production of cotton; and the farmers of my State undertook to comply with those requests. As a result of that campaign the farmers of my State voluntarily reduced their cotton acreage and reduced their cotton production, and now this bill, over the protest of the Senate, seeks to reinstate that injustice and to penalize the farmers of those States that complied with the request made by the former administration.

Mr. President, I read another telegram from Oklahoma City. It is from the Oklahoma Farmers' Union, is signed by Tom W. Cheek, president, and reads as follows:

OKLAHOMA CITY, OKLA., March 28, 1934.

HON. ELMER THOMAS,

*United States Senator, Washington, D.C.:*

Bankhead bill should be amended to a 10-year basis; this would give Oklahoma 861,000 bales, and on 5-year basis would give us 761,000 bales; very unfair to Oklahoma. Make this amendment fight for us.

TOM W. CHEEK.

*President Oklahoma Farmers' Union.*

Mr. President, after having placed these telegrams in the RECORD from the leaders of the cotton growers of my State, and having made this statement so far as it affects Oklahoma, I can do no more than to cast my vote "nay" upon the question of the adoption of this conference report.

Mr. BAILEY. Mr. President, I am under the necessity of leaving the city within a few minutes, having some weeks ago made an engagement to make a speech on the subject of Thomas Jefferson at Reading, Pa., tonight. For that reason I cannot, very much to my regret, be here during the remainder of the consideration of the conference report.

I think this matter ought to be fully discussed. I discussed it myself at rather considerable length when the bill was before the Senate a few days ago. I should like to discuss it further.

The bill is one of the utmost importance, whether considered from the point of view of alteration of the character of our Government or from the point of view of economics.

Under other circumstances, I might feel justified in requesting that the report go over until Tuesday; but I realize that the farmers are entitled to know, at any rate, at the earliest possible moment what the Congress proposes to do about their cotton crop and what sort of taxes are to be imposed upon them in the matter of ginning and marketing their cotton. I realize, also, that there is more or less speculation going on as to the effect of the passage of the bill. I have no sympathy with the speculative aspects of the matter and should like to put an end to that phase of the situation.

I wish to offer for the RECORD, and as a part of my remarks, a statement prepared by the Department of Agriculture and placed in my hands showing the effect of the 5-year provision in the bill as the base for production as compared with the 10-year base.

The PRESIDING OFFICER. Without objection, the statement will be printed in the RECORD.

The statement is as follows:

Cotton

State	1926				5-year average ending 1932				10-year average ending 1932			
	Acre	Percent	Production	Percent	Acre	Percent	Production	Percent	Acre	Percent	Production	Percent
Alabama	3,470,000	100	1,494,000	100	3,373,000	97.2	1,254,000	83.9	3,274,000	94.3	1,188,000	79.5
Arkansas	3,383,000	100	1,548,000	100	3,392,000	100.2	1,357,000	87.6	3,193,000	94.3	1,265,000	81.7
Arizona	167,000	100	122,000	100	186,000	111.3	128,000	104.9	171,000	102.3	116,000	95.0
California	162,000	100	131,000	100	222,000	137.0	200,000	152.6	179,000	110.4	148,000	112.9
Florida	122,000	100	38,000	100	124,000	101.6	35,000	97.2	117,000	95.9	31,000	86.1
Georgia	3,593,000	100	1,496,000	100	3,196,000	88.1	1,242,000	83.0	3,109,000	86.5	1,156,000	77.2
Louisiana	1,802,000	100	829,000	100	1,847,000	102.4	745,000	89.8	1,689,000	93.7	887,000	82.8
Mississippi	3,732,000	100	1,888,000	100	3,977,000	106.5	1,559,000	82.5	3,653,000	97.8	1,473,000	78.0
Missouri	436,000	100	218,000	100	363,000	83.2	222,000	101.8	384,000	88.0	207,000	94.9
New Mexico	118,000	100	75,000	100	122,000	103.3	90,000	120.0	111,000	94.0	75,000	100.0
North Carolina	1,802,000	100	1,208,000	100	1,432,000	79.4	751,000	62.1	1,553,000	86.1	876,000	72.5
Oklahoma	4,611,000	100	1,773,000	100	3,706,000	80.3	1,109,000	62.5	3,897,000	84.5	1,221,000	68.8
South Carolina	2,239,000	100	1,008,000	100	1,879,000	83.9	855,000	84.8	1,964,000	87.7	848,000	84.1
Tennessee	1,089,000	100	451,000	100	1,065,000	97.7	478,000	105.9	1,045,000	98.9	430,000	95.3
Texas	17,749,000	100	5,628,000	100	15,597,000	87.8	4,580,000	81.3	16,066,000	90.5	4,633,000	82.3
Virginia	98,000	100	56,000	100	79,000	80.6	45,000	80.3	84,000	85.7	49,000	83.9
All other States	43,000	100	17,000	100	18,000	41.8	10,000	58.8	27,000	62.7	12,000	70.5
Total, United States	44,616,000	100	17,978,000	100	40,548,000	90.8	14,690,000	81.5	40,516,000	90.8	14,413,000	80.1
Lower California	130,000	100	86,000	100	100,000	76.9	48,000	55.8	118,000	90.7	61,000	70.9
Total	44,746,000	100	18,064,000	100	40,648,000	90.8	14,708,000	81.4	40,634,000	90.8	14,474,000	80.1
Florida	122,000	100	38,000	100	124,000	101.6	35,000	97.2	117,000	95.9	31,000	86.1
Georgia	3,593,000	100	1,496,000	100	3,196,000	88.1	1,242,000	83.0	3,109,000	86.5	1,156,000	77.2
North Carolina	1,802,000	100	1,208,000	100	1,432,000	79.4	751,000	62.1	1,553,000	86.1	876,000	72.5
South Carolina	2,239,000	100	1,008,000	100	1,879,000	83.9	855,000	84.8	1,964,000	87.7	848,000	84.1
Total	7,756,000	100	3,748,000	100	6,601,000	85.1	2,883,000	76.9	6,743,000	86.9	2,911,000	77.6

Mr. BAILEY. I shall refer only to my own State; but Senators who are interested may see this tabular statement, and ascertain the facts as to their States.

The North Carolina production under the 5-year average for the period ending 1932 was 751,000 bales. Under the 10-year average the production was 876,000 bales. Therefore the base for North Carolina would be 125,000 bales less under the 5-year provision now in the bill than it would be under the 10-year provision adopted by the Senate in the amendment proposed by me.

Mr. President, that is a great injustice to the Commonwealth of North Carolina and to its farmers. Our people have gone about the matter of crop reduction in the case of cotton. Other States have not. The Senator from South Carolina inadvertently stated that Alabama would lose under the 5-year base, but that is incorrect. The production in Alabama for the 5 years ending 1932 was 1,254,000 bales. In the 10 years ending 1932 the production was 1,188,000 bales. Alabama gains 125,000 bales as a base for the calculation of crop reduction, as the State quota, while North Carolina loses 125,000 bales. I submit that that is a manifest injustice, and with that in view I hope the Senate will send the bill back to the House and insist upon the 10-year base amendment as adopted by the Senate.

Mr. President, further I wish to say that I do not think the Bankhead bill will result in materially reducing the production of cotton, considered the world over. We may, under the prohibitive tax imposed by the bill, limit the ginning of cotton in our Cotton Belt to 10,000,000 bales, as contemplated, but if we do and we thereby succeed in keeping 4,000,000 bales of American cotton off the market, there is nothing to prevent the Argentine, India, Egypt, Russia, China, and Brazil from increasing their production by 4,000,000 bales, in which event we will come to the harvest of the present year with the same supply of cotton we would have had had this tax not been imposed.

I wish to refer to another feature of this proposal, one which strikes at the very heart of it. In the reduction of the production of cotton the quotas proposed to be allotted to the farmers are horizontal, with the exception, as I understand, of a million bales, which will be prorated in one way or another.

It is my judgment that that scheme in the application of the bill will work irreparable injury to the small farmers of the Cotton Belt. A man producing 500 bales on his farm may stand for a reduction, but a man producing 6 or 7 or 8 or 10 bales cannot stand it, and if he is cut down to 2 or 3 or 4 bales he is practically put out of the business of producing cotton. If that is the purpose of the bill, I wish to say that I have no sympathy whatever with that sort of thing.

It was about 2 years ago that a voice was raised in our land in behalf of what was then denominated "the forgotten man"; in the intervening months we have now and then heard of the same forgotten man, but I think that we begin to hear less and less of him, and that is not contrary to the observations of long experience.

I stand here at this moment on the economic aspects of this bill, motivated very largely by thoughts of what will become of the smaller farmers of the Cotton Belt under the application of the bill. It will not require as many workers to make 10,000,000 bales of cotton as to make fourteen or fifteen million bales. What will become of them? They will be ground to powder, as the humble man has so often and so consistently been ground, between the upper and the nether millstones of the Congress on the one hand and the producers of great crops on the other.

I do not wish such an injustice to be done, and these remarks are pointed to the amendment which I offered here providing that no man's cotton up to the first eight bales should be taxed. That amendment was amended by my colleague from North Carolina to read six bales. On the 6-bale basis the amendment was agreed to and sent to conference.

Now, the bill comes back with the 6-bale amendment rejected, and there is nothing whatever in the bill to take

care of, I should say, a million five hundred thousand of the small farmers of the Cotton Belt, the total number being 1,950,000, and I can safely say that 1,500,000 of them are small farmers.

It seems to me, Mr. President, that if ever we are to strike a blow in behalf of the humble man, if we are ever to assert the right of the little man to live—and that is a great slogan in political campaigns, and sometimes heard here—if we are ever to assert the right of the little man to live, here is the best opportunity the Senate of the United States will have at the present session.

Mr. KING. Mr. President, as I understand the Senator's position, the bill is rather in the interest of a limited number of the larger cotton producers, to the disadvantage of the small producers?

Mr. BAILEY. I made the statement that the producer of 500 bales or a hundred bales on his farm could stand the reduction, whereas the little fellow could not; and that is manifest. I received a letter yesterday from an humble farmer in North Carolina saying that he understood that his production would be cut down this year to three bales, and he said:

I want your help. I want you to tell me what I can do.

He added a sentence of considerable pathos to me—

How can I keep my dear boy in school when I am not allowed to produce more than three bales of cotton in a year?

Mr. BORAH. Mr. President, I have had some 15 or 20 letters of the same kind. And let me say while I am on the floor, in reference to the questionnaire which was sent out, a farmer writes me from Arkansas that he does not know of a single cotton producer in his whole territory to whom that questionnaire was ever sent.

Mr. BAILEY. Mr. President, I think, on that point, there is a general impression in the South that this bill would lift the price of cotton and relieve a manifestly bad situation, but I think that impression is based upon misinformation. It is my candid opinion that once this bill is put into operation the resistance to it in the South will amount to a political revolution. On that point I shall conclude, because I have taken more time already than I could afford to take.

My main objection to the bill is not on economic grounds. My principal objection to the bill is that it is a usurpation of power by the Federal Government. Insofar as there could be that power in the States, it usurps the power from the States. That is not so serious, after all, as we consider the trend in these modern days; but insofar as the right of personal property and the right of personal liberty are concerned, it destroys the rights of human beings and of free men.

Mr. President, I have not parted with my attachment to human liberty, and I do not intend to part with it. The more I see of Russia, the more I hear from Italy, and the more I hear from Germany, the more I thank God for one country left dedicated to the rights of men, to individual liberty.

If there has been in the 40 years of activity of my life one picture of personal liberty, it has been the picture of the farmer on his farm. Notwithstanding the pressure of economic conditions, there in his little home, there with his acres about him, there with his capacity to make bread to eat, there with his right to produce his crops, there with his courage to contend with the forces of nature, there with his capacity to plow, to plant, to cultivate, and to reap, he has always been the fountain of liberty in America; and you cannot now destroy the fountain.

Who fought the Revolution? They were the farmers who "fired the shot heard round the world." Emerson, standing by the Concord bridge "where the embattled farmers stood", said they "fired the shot heard round the world."

Who were the protagonists and the pioneers of liberty in our mother country? They were the farmers. And in the United States of America, a land dedicated to human liberty and founded upon the Declaration of Independence, proclaiming the inalienable rights of men—a land in which the Declaration has not been erased, in which the Constitution, the Congress notwithstanding, still stands—who are we

to set on its way a process whereby agents of the Federal Government, representatives of the Department of Agriculture, shall proceed throughout 13 States composing the Cotton Belt, see farmer after farmer and notify him, "If you produce one bale more of cotton than we say you shall produce, the Federal Government will impose a tax upon it which will destroy its value", to wit, 50 percent. Who are we that we should be doing things like that?

There may come a time when that can be done by the Federal Government; but if it ever comes, Mr. President, it ought to come by way of an amendment of the Constitution; and if I should propose in this moment an amendment to the Constitution reading, "From and after the ratification of this amendment the Federal Government shall have power to impose prohibitive taxes upon the production of sugar, and of wheat, and of cattle, and of cotton, and of fruit", I do not believe it would get the vote even of the Senator from Alabama [Mr. BANKHEAD] who introduced the cotton bill. I believe I would be discredited in the Senate as a man who had no conception of the character of the American Government and no respect for the institutions under which it has flourished as no nation ever flourished in a period of 150 years.

Mr. President, it has been spread abroad in my section of the country that this bill is supported by the President. I want the statement to go forth to the people of North Carolina that the President of the United States has sent no message to the Congress concerning this bill. It is no part of his recovery program. He wrote one letter to Mr. JONES, Chairman of the Committee on Agriculture in the House, in which he said that he would approve the bill in principle. That is not a message to the Congress. That is a message to an individual.

And further, the Secretary of Agriculture of the United States has disapproved this bill. In public statement he has said that he prefers the voluntary principle of crop control. And this bill, Senators, embodies the involuntary principle. The Secretary of Agriculture has also said, and I wish to pay him tribute for it, that he looks with suspicion upon propositions to regiment agriculture in America.

If I had time, Mr. President, I would say many things that are in my heart to say. I know that politically and selfishly it would be a fine thing for me for this bill to pass. I have made my record. I am exonerated of responsibility.

Sometimes we have to go to hell in order to learn the value of religion. Sometimes we have to fall sick in order to know the value of health. We have to learn and we have to teach, I think always, and all men by way of experience.

I could have sat here quietly this morning and said, "Very well, you have made your record; let the bill pass; offer no opposition, and in 18 months the farmers of the South and the farmers of North Carolina will be calling upon you and calling upon the Senate to redeem them and deliver them from the impositions of this legislation." But I have chosen otherwise.

I spoke against the bill. I am opposed to the bill. I hope the bill will be defeated in the economic interest of the farmers, and even more than that, in behalf of safeguarding the character of the American Republic, I hope it will be stricken down by every man who loves sweet human freedom.

Mr. GORE. Mr. President, I rise merely to express my hearty approval of what my colleague [Mr. THOMAS of Oklahoma] has said in opposition to the pending conference report. We have heard a great deal during the course of this discussion in regard to the pending measure having the support of the cotton farmers.

It has been stated here on the floor that 85 percent of the cotton farmers favor the proposed legislation. I do not know; that may be true; but I do know these facts: There are approximately 2,000,000 cotton farmers in the South. Letters were sent out by the Department here not to 2,000,000 cotton farmers but to 41,000 cotton farmers; 30,000 of those were cotton reporters employed by the Department of Agriculture to prepare and submit cotton reports

from time to time. Ten thousand of the number went to what are known as county chairmen. I do not know how that designation applies, because there are only about a thousand counties in the cotton growing section of the country, and 1,000 additional letters went out to the county agents in the thousand counties of the Cotton Belt. Of those 41,000 letters sent out some 24,000 evoked answers, 24,000 responded—about 56 percent—and some 95 percent of those who answered did favor the pending bill, but it should be understood that they are in a sense either the employees or the partisans of the Department of Agriculture or of the Government. These men were required to take the sense of the farmers, generally speaking, the rank and file. They did report, as I understand, that some 85 percent of the farmers favored the pending legislation. That may be so and it may not be so. I felt that this much ought to be placed in the RECORD, and I ask permission to print in the RECORD a letter received from one of my constituents, a leading citizen of Oklahoma, a friend of the farmer, in opposition to this measure.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE OKLAHOMA FARMER-STOCKMAN,  
Oklahoma City, Okla., March 27, 1934.

Senator T. P. GORE,

Senate Office Building, Washington, D.C.

DEAR SENATOR GORE: Following my wire dated today, may I present the figures which of themselves prove the rank injustice about to be done our State by the passage of the Bankhead bill?

This bill, as you know, is based upon a 5-year period "prior to the signing of the act" by the President. I assume that period would cover the crop produced in 1933 and the 4 preceding years. However, I am informed by the office of the Secretary of Agriculture that the crop produced in 1933 would be excluded and, hence, the base period on which quotas are to be computed would be the crops produced in the calendar years 1928 to 1932, inclusive.

May I call your attention to the significance of the exclusion of the year 1933?

When it came to working out a base on which the voluntary campaign just ended was based the crop of 1933 was excluded.

When I was in Washington in September I called this to the attention of officials, pointing out that it would be easier to determine the production of cotton in the 5-year period, 1929-33 than for the period 1928-32. I was told frankly and without hesitation that 1933 would not be included for the reason that we planted too much cotton, having increased our acreage 30 percent.

I countered with the fact that during 1930, 1931, and 1932 we had decreased our acreage in Oklahoma, voluntarily, by approximately 30 percent. That fact, however, was quickly swept aside and I was given to understand that the question was not even debatable.

I consider that definite injustice was done Oklahoma in thus jumping a year to establish a base on which production in voluntary contracts is founded. Cotton was taken away from us and given to other States.

But if the A.A.A. has rendered the State an injustice in the matter, certainly no precedent has been established whereby a greater injustice should be done by the Congress.

Figures have just been released (which will bear the closest scrutiny) showing that on a base of 1928 to 1932, inclusive, Oklahoma has a 5-year average production of 1,071,706 bales, which would give us an estimated tax-free allotment of 761,706 bales. Such an allotment amounts to 7.61 percent of the national production. Such an allotment places Oklahoma sixth among the cotton-producing States.

I contend that a base figured on the 5-year average, 1928 to 1932, is highly discriminatory against Oklahoma. It is the particular 5 years of the past 11 years which give us the lowest possible quota and in proportion gives other States the highest possible quotas.

I likewise submit that a 10-year average is a much more reasonable, fair, and equitable basis on which to figure the different State quotas.

If we take the production of cotton by States for the past 10 years, 1924 to 1933, inclusive, we arrive at an average production for Oklahoma of 1,275,350 bales. This is an increase, as you notice, of more than 200,000 bales in our average annual production.

On the basis of a 10,000,000-bale production, this would result in an increase in our quota of cotton which could be grown tax-free of more than 100,000 bales, or nearly 15 percent.

The thought may be unworthy, but it seems to me that this Bankhead bill, emanating as it does from the southeast part of the United States, was deliberately drawn up to give that section the largest possible advantage and, at the same time, to discriminate against us out West.

Consider for a moment just what the opportunity to grow 100,000 additional bales of tax-free cotton means to Oklahoma.

The tax is to be 50 percent of the value of the cotton. Let us say cotton is 12 cents. The tax thus becomes \$30 per bale. Thus the tax on 140,000 bales becomes \$4,200,000. In other words, the

direct loss to farmers in Oklahoma from a measure based upon the 5 years 1928 to 1932 amounts to at least \$35 for every cotton-growing farmer in the State.

This is not a theoretical loss. It will be an actual loss unless the bill is amended, as it properly should be. It should be based on a 10-year average, rather than on the years 1928 to 1932 which, as I have pointed out, results in the lowest possible quota which can be assigned to Oklahoma.

I know that every cotton farmer in the State, as well as all business interests, will expect you to use your utmost efforts to prevent this rank injustice being done the State.

Sincerely yours,

CLARENCE ROBERTS, *Editor*.

Mr. FESS. Mr. President, in line with what the Senator from Oklahoma has just stated, I have a communication which came to my desk yesterday that deals with exactly the same item the Senator from Oklahoma [Mr. GORE] was discussing just before he concluded his remarks. The writer says:

I operate a large cotton farm in the South, and have about 50 families who are dependent upon this farm pay roll for a livelihood. If the Bankhead bill becomes a law, I imagine these families are going to find themselves looking to charity for help, because I will not need them.

This letter is from a friend of the author of the bill, for he says:

I know that my good friend, JOHN H. BANKHEAD, has done a real service for his State—

And so on, referring to his election and the defeat of a certain candidate. Then he says:

There is no question in my mind but there is something wrong in connection with some of the propaganda in behalf of cotton.

First, the Department of Agriculture claims that the voluntary crop-reduction sign-up was a success, which would control this year's production. If this is true, why do we need the compulsory control?

Second, I think I have seen in the press where it was alleged by the Department of Agriculture that about 90 to 95 percent of the representative cotton farmers, in answer to questionnaires sent out by the Department, were in favor of the compulsory control bill.

I wish I were in a position to challenge this statement publicly, but frankly—

For the reason he mentions in his letter I do not feel free to give the name of the writer.

I have made several inquiries among farmers in the South and have been unable to find one who received such questionnaire from the Department of Agriculture, or who knew anything about it. I would like to see someone call on the Department of Agriculture to furnish the Associated Press with a list of the names and addresses of the representative farmers to whom these questionnaires were sent and from whom replies were received. I would like to see three lists made, one showing those who answered favorably, another showing those who answered unfavorably, and still another showing those who did not reply. I think if such an analysis were given the newspapers, especially those of the Cotton Belt, the result would be surprising to almost everyone.

It is a known fact that already the Argentine and Brazilian Governments are urging their farmers to increase cotton production in order to take advantage of the curtailment of our crops under the compulsory bill.

Farmers in my home-town community sold cotton at 4 cents a pound during the Spanish-American War; again at ridiculously low prices in 1907 and 1914, as well as in 1932 and 1933, but it so happens that up to this time we have not had to bury any of them because of starvation.

I believe that if the Senate as a whole knew the cotton farmer, cotton production, and general conditions among these farmers, or could visualize the ill results which this legislation will bring about, that this bill would be defeated by an overwhelming majority.

Mr. President, I have no interest whatever in anyone who is in the cotton business, and I myself have no interest in cotton except that as a citizen of the country I am, of course, concerned about the welfare of any great industry such as is the cotton industry.

Mr. GORE. Mr. President—

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Does the Senator from Ohio yield to the Senator from Oklahoma?

Mr. FESS. I yield.

Mr. GORE. I wish to make reference, if the Senator will permit me, to the sentence in the letter which the Senator has just read that Brazil and Argentina are now encourag-

ing their farmers to increase their cotton acreage in order to absorb the world's market which by the proposed legislation is being surrendered by the cotton farmers of the South.

I wanted to say that that is the most significant and I may add the most ominous thing in this entire situation and in the proposed legislation. In the South, with cheap land and cheap labor, we can raise cotton more cheaply than it can be produced any other place on the globe.

Cotton constitutes our balance of trade; we export more than 55 percent of our annual output. It has constituted our balance of trade for generations, and we are asked to surrender that advantage and turn it over to foreigners; and when the foreigner captures this market it will be difficult, if not impossible, for the farmers of the South to recapture that surrendered market. For my part, I want to express my appreciation of the Senator's action in reading into the RECORD the letter he has read.

Mr. FESS. Mr. President, I appreciate the statement of the Senator from Oklahoma, who knows the cotton industry at first hand, as I do not. The Senator has referred to the surrendering of our cotton market. Let me say that the farmers in the wheat areas have already suffered that disaster. All of us will recall that when the days were very dark during the World War the call came from the Allies that it would be necessary for us to increase the acreage of wheat because there was no other kind of raw materials from which there could be made a supply of bread sufficient for the large group of men enlisted in their armies.

That call was responded to by the farmers of our country and they increased the wheat acreage an enormous percentage. But that was not the bad feature. Countries in the old world that could produce wheat, countries which had not been producing except in very small quantities, began to raise wheat. The most surprising thing of all was when they found out they could do it that they not only raised wheat needed for the army, but when the war was over they continued to raise wheat.

We all remember that at Geneva 2 years ago there gathered a great conference representing the wheat-growing countries of the world. There were 11 countries represented in that conference, each of which was producing a surplus of wheat. Theretofore many of them had not produced any wheat to speak of, but having started its production they found it profitable. We realize now that the foreign market for American wheat has been absorbed by that production.

Three of those 11 countries—the United States, Canada, and Russia—could produce all the wheat the world could consume; but in addition to those 3 there are 8 others producing a surplus, and the representatives of those 11 countries met in convention to determine how they could manage the surplus problem of the future. That means that our foreign market for wheat has been absorbed, and if we limit unduly our cotton production I imagine the same result will follow as to that commodity.

As the Senator from Oklahoma said, 55 percent of our cotton goes to the foreign markets. It is only simple common sense that if we stimulate the foreign market to the point where foreign countries can grow cotton to take care of that market we will suffer just in the degree they will be stimulated. I am afraid that, instead of this measure being of value to the American cotton farmer, it will prove to be a tremendous obstacle to him.

Mr. GORE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Oklahoma?

Mr. FESS. Certainly.

Mr. GORE. The Senator said we export more than 50 percent of our cotton. We used to export 25 percent of our wheat. The foreign market for American wheat has practically vanished. Anyone who will read the trade letters will mark that day after day, week after week, and month after month the letters now say "no clearances today." That goes on for weeks and months. I have taken occasion to check the reports. Our foreign market for wheat is gone, and if we enact legislation of this sort, the foreign market for our

cotton will follow the foreign market for our wheat into oblivion.

Mr. FESS. Mr. President, I am greatly impressed with the force of that statement. I believe it is only common, ordinary sense that if we make it profitable for the foreign cotton grower to produce cotton, then what took place in the wheat market will take place in the cotton market.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. BANKHEAD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Hebert	Pope
Ashurst	Couzens	Johnson	Reed
Austin	Cutting	Kean	Reynolds
Bachman	Dickinson	King	Robinson, Ind.
Bankhead	Duffy	La Follette	Schall
Barbour	Erickson	Lewis	Sheppard
Barkley	Fess	Logan	Shipstead
Black	Fletcher	Loneragan	Smith
Bone	Frazier	Long	Steinwer
Borah	George	McGill	Stephens
Brown	Gibson	McKellar	Thomas, Okla.
Bulkley	Gore	McNary	Thomas, Utah
Bulow	Hale	Metcalf	Thompson
Byrnes	Harrison	Murphy	Townsend
Capper	Hastings	Norris	Vandenberg
Caraway	Hatch	Overton	Van Nuys
Clark	Hatfield	Patterson	Walsh
Connally	Hayden	Pittman	

The PRESIDING OFFICER. Seventy-one Senators have answered to their names. A quorum is present.

The question is on agreeing to the conference report. On that question the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CUTTING (when his name was called). On this question I have a pair with the junior Senator from Florida [Mr. TRAMMELL]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. FESS (when his name was called). I have a pair with the senior Senator from Virginia [Mr. GLASS], who is unavoidably absent from the Chamber. I am advised that were he present he would vote as I intend to vote. Therefore I feel at liberty to vote. I vote "nay."

Mr. KEAN (when his name was called). I am paired with the junior Senator from Nevada [Mr. McCARRAN]. I transfer that pair to the junior Senator from Maine [Mr. WHITE], and will vote. I vote "nay."

Mr. LA FOLLETTE (when his name was called). On this question I have a pair with the senior Senator from New York [Mr. COPELAND]. Not being informed as to how that Senator would vote, I withhold my vote.

Mr. METCALF (when his name was called). I have a general pair with the Senator from Maryland [Mr. TYDINGS]. I understand that if he were present he would vote as I intend to vote, and that he has been specially paired on this question. I vote "nay."

Mr. FRAZIER (when Mr. NYE's name was called). My colleague [Mr. NYE] is unavoidably absent. He is paired on this bill with the Senator from Maryland [Mr. TYDINGS]. If my colleague were present he would vote "yea", and I understand that if the Senator from Maryland was present he would vote "nay."

The roll call was concluded.

Mr. REED (after having voted in the negative). I have a general pair with the Senator from Arkansas [Mr. ROBINSON]. I transfer that pair to the Senator from Wyoming [Mr. CAREY], and will allow my vote to stand.

Mr. LEWIS. I desire to state that the Senator from Arkansas [Mr. ROBINSON] is necessarily absent because of serious illness in his family.

Mr. PATTERSON (after having voted in the negative). I note the absence of my general pair, the Senator from New York [Mr. WAGNER]. I am informed, however, that if he were present he would vote as I have already voted; and I therefore will allow my vote to stand.

Mr. LOGAN (after having voted in the affirmative). I have a pair with the junior Senator from Pennsylvania [Mr.

DAVIS], who does not appear to have voted. I therefore withdraw my vote.

Mr. LEWIS. I announce the absence of my colleague [Mr. DIETERICH], caused by important matters in his State. I am not informed how he would vote if present.

The senior Senator from Virginia [Mr. GLASS] is necessarily absent. He has been unable to secure a pair. If present, he would vote "nay."

I announce the following special pairs on this question:

The Senator from Wyoming [Mr. O'MAHONEY] with the Senator from Virginia [Mr. BYRD]; and

The Senator from Montana [Mr. WHEELER] with the Senator from North Carolina [Mr. BAILEY].

If present, the Senator from Wyoming and the Senator from Montana would vote "yea" on this question, and the Senator from Virginia and the Senator from North Carolina would vote "nay."

The Senator from North Carolina [Mr. BAILEY], the Senator from Virginia [Mr. BYRD], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from New York [Mr. COPELAND], the Senator from Washington [Mr. DILL], the Senator from California [Mr. McADOO], the Senator from Nevada [Mr. McCARRAN], the Senator from West Virginia [Mr. NEELY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. TRAMMELL], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily detained from the Senate.

I regret to announce the absence because of illness of the Senator from Montana [Mr. WHEELER].

Mr. HEBERT. I desire to announce the following pairs:

The Senator from Maryland [Mr. GOLDSBOROUGH] with the Senator from Georgia [Mr. RUSSELL];

The Senator from Maine [Mr. HALE] with the Senator from Washington [Mr. DILL];

The Senator from Connecticut [Mr. WALCOTT] with the Senator from California [Mr. McADOO]; and

The Senator from New Hampshire [Mr. KEYES] with the Senator from West Virginia [Mr. NEELY].

If present, I understand that Senators GOLDSBOROUGH, HALE, WALCOTT, and KEYES would vote "nay" on this question, and Senators RUSSELL, DILL, McADOO, and NEELY would vote "yea."

I also desire to announce that the Senator from Wyoming [Mr. CAREY], the Senator from New Hampshire [Mr. KEYES], the Senator from Maine [Mr. HALE], the Senator from Maryland [Mr. GOLDSBOROUGH], the Senator from Connecticut [Mr. WALCOTT], the Senator from Maine [Mr. WHITE], the Senator from Pennsylvania [Mr. DAVIS] and the Senator from North Dakota [Mr. NYE] are absent on official business.

The result was announced—yeas 39, nays 28, as follows:

#### YEAS—39

Adams	Capper	Hatch	Pope
Ashurst	Caraway	Hayden	Reynolds
Bachman	Connally	Johnson	Sheppard
Bankhead	Costigan	Lewis	Smith
Barkley	Duffy	Loneragan	Stephens
Black	Erickson	Long	Thomas, Utah
Bone	Fletcher	McKellar	Thompson
Brown	Frazier	Murphy	Van Nuys
Bulow	George	Overton	Walsh
Byrnes	Harrison	Pittman	

#### NAYS—28

Austin	Fess	King	Robinson, Ind.
Barbour	Gibson	McGill	Schall
Borah	Gore	McNary	Shipstead
Bulkley	Hastings	Metcalf	Steinwer
Clark	Hatfield	Norris	Thomas, Okla.
Couzens	Hebert	Patterson	Townsend
Dickinson	Kean	Reed	Vandenberg

#### NOT VOTING—29

Bailey	Dill	McCarran	Tydings
Byrd	Glass	Neely	Wagner
Carey	Goldsborough	Norbeck	Walcott
Coolidge	Hale	Nye	Wheeler
Copeland	Keyes	O'Mahoney	White
Cutting	La Follette	Robinson, Ark.	
Davis	Logan	Russell	
Dieterich	McAdoo	Trammell	

So the conference report was agreed to.

## MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

## RELIEF OF DEBTORS IN BANKRUPTCY PROCEEDINGS

The Senate resumed the consideration of the bill (H.R. 5884) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

## THE POTASH INDUSTRY

Mr. HATCH. Mr. President, notwithstanding the fact that I dislike to take the time of the Senate just now, nevertheless, I think some information which I happen to possess concerning an important industry in my State should be made available to Senators and the country at large. I refer to the development of the potash industry.

About the year 1925 Dr. V. H. McNutt, now of San Antonio, Tex., a geologist of note and reputation, discovered potash in an oil well being drilled at Carlsbad, N.Mex. With the aid of Snowden & McSweeney, who furnished the financial assistance, core tests were made in the vicinity of the oil well. It would take too long to relate all the circumstances surrounding the discovery of potash in this region. Suffice it to say that potash in commercial quantities was found. It should be said that these people invested capital and labor in the development of this project, which was at that time a most forlorn hope. I mention the part played by these men in the project because they displayed great courage and that pioneering spirit which has been responsible for the development of the industries and vast resources of America. Had men of less courage been associated in the enterprise, probably the existence of potash in the Carlsbad region would not be known to this day.

The United States has such vast expanses of territory, such far-flung industrial and agricultural enterprises, and such widely distributed population that even with our splendid transportation system, unparalleled communication facilities, and efficient Government and private agencies for gathering and disseminating information a new industry can be developed, bringing us independence from foreign domination over the supply of an essential commodity, yet our people may not have heard of the establishment of this new industry, and might go on for years relying on old notions that this essential commodity could not be produced in America, or at least not economically or in sufficient quantities to meet the American demand.

Today, as a result of the efforts of Dr. McNutt and the Snowden & McSweeney group, the United States can supply the requirements of the American market for potash, except as to certain special grades, and even these can and will be supplied by domestic producers within a reasonable time.

Until this discovery in Eddy County, N.Mex., the United States—and, for that matter, the rest of the world—was dependent on Germany for its potash, with the exception of the period covered by the World War. When the war began, shipments of potash were interrupted, and at first, and early in 1915, were stopped through an embargo imposed by the German Government. During the war over \$50,000,000 of private and public funds were expended in attempts to develop an adequate domestic supply of potash. In time 128 plants were established and placed in operation, but costs of production were high, and the price of potash soared to \$600 per ton, more than 10 times the price of the German product before the war. As soon as the war was over the German potash reentered the American market, and the American plants built and operated at such enormous expense had to be abandoned, all save a very few, and of these only one of considerable output survived. It was natural to be dependent again on German potash, and it was generally taken for granted that this dependence was inevitable and must always exist, except as war intervened, with its temporary potash scarcity and high prices for expensively produced local output.

This condition continued until the discovery of potash in Eddy County, N.Mex. The ore body in the Eddy County mine is better and richer than the ore bodies of Germany. The potash is taken from the ground, refined, and shipped in bulk or in bags exactly as the foreign product is manufactured and marketed. There are two mines in operation now in the New Mexico field, which can fully supply the requirements of the American market for the raw-unrefined potash salts, and as to the refined muriate of potash, or potassium chloride, to use the technical name of the product; the New Mexico refinery of one of these companies can nearly meet the domestic demand for this high-grade commodity, while a muriate plant in California, which survived the invasion of German potash after the war, now has capacity sufficient to meet the requirements of the American market for the refined muriate. Thus, in the course of a few years, mines in New Mexico and a chemical plant in California have developed capacity for production of the grades of potash most needed in this country that exceeds by approximately 100 percent the requirements of the country. Despite this fact, large quantities of potash are still imported from Germany, France, and Spain, and even Russia and Poland.

Potash is now overproduced. Our people need have no more apprehensions. In time of war we will have sufficient potash for fertilization of agricultural lands, for munitions manufacture, and for the many other fields in which this important chemical is used.

Government officials respond to the inquiry, "Is potash produced in the United States?" by quoting statistical data which clearly show that more than enough chloride of potash is produced in the United States to supply the present American market twice over and that other grades of potash can and will be available, thus making this country absolutely independent of all foreign sources of this commodity. Nevertheless, the story of our absolute dependence on German potash persists, and even some departments of the Federal Government are not familiar with the activities of the Departments of the Interior and Commerce in exploring for potash deposits and the results of their work as published in their own reports.

A very short time ago the newspapers published articles describing the new foreign-trade program, with the plans for encouragement of importation of foreign commodities which are not available here or which cannot be produced here as economically as abroad, and at the head of a list of commodities that might be imported from the Soviet Union was potash. Here is the list as reported in the New York Times for February 13, 1934:

Potash, manganese ore, mica, precious stones, platinum, and gold; furs and waste silk; castor-oil beans, sausage casings, and caviar.

The list must have been handed to Washington correspondents by some official of a Federal department not well informed on American potash development.

Another list was referred to in debate in the House of Representatives on March 29, when the pending tariff measure was under consideration. The gentleman from Maryland [Mr. Lewis], a former member of the United States Tariff Commission, asked and obtained leave to have printed in the CONGRESSIONAL RECORD various schedules of raw materials and manufactured commodities—imported articles not produced regularly in commercial quantities in the United States. In "Schedule 1, chemicals, oils, and paints", on page 5616 of the CONGRESSIONAL RECORD potassium (potash) appears.

This list comes from a Government establishment which apparently did not know that we now have a well-established potash industry operating efficiently with American labor under the terms of the basic code for the chemical manufacturing industry, and possessing the plant and equipment to produce twice as much potash salts as the American market requires.

Why take time to prepare this statement about the American potash industry and why consume more time in presenting it if this industry is firmly established in the United States?

First, because new mines in Spain and the Soviet Union threaten the industry with competition of potash produced by cheap labor and favored by low transportation costs, and it may become necessary to enforce stabilization of the domestic potash market either through a tariff or by action authorized in section 3 (e) of the National Recovery Act. Potash is now on the free list.

Second, because it is possible that, due to lack of general information regarding this new potash industry on the part of Government officers who may be concerned with the negotiation of reciprocal trade agreements with foreign countries under the tariff bill now pending, potash importations on a larger scale may be encouraged, and a discussion here at this time may be helpful to such negotiators in considering proposals from foreign producers.

Potash is now produced in Germany, France, Spain, the Soviet Union, Poland, Palestine, and the United States. It is an essential ingredient of high-grade fertilizers, but is also an important and valuable chemical required in the manufacture of glass, munitions, matches, and other chemicals and pharmaceuticals. More than 90 percent of the potash used in the United States goes into the preparation of plant food by manufacturers of fertilizers.

For nearly 70 years Germany had a virtual monopoly of the potash trade of the world. As already stated, the supply of potash was completely cut off during the World War, and in the United States both agriculture and industry suffered severely. An adequate supply of the commodity never was developed here during the period of the war because of the high cost of production and the very limited sources of potash-bearing materials.

The reentry of German potash into the American market has been sketched. Only a few of the 128 war-nurtured plants in the United States survived, and of these, only one, the American Potash & Chemical Co., operating in California, engaged principally in potash production. The others remaining in the field produced potash as a byproduct of distillery waste and cement manufacture.

The Federal Government, under special authority of Congress, and with appropriations specifically made to explore for natural deposits of water-soluble potash continued its activities through the Bureau of Mines and the United States Geological Survey. The deposits in New Mexico, which I have mentioned, were found in the Pecos River Valley, in what is known among geologists as the Permian Basin, an ancient sea bed which underlies an enormous area in New Mexico and Texas. The potash-bearing stratum found to contain salts of commercial value is similar to the beds in Germany and France. The ore in this stratum is known as sylvinite. It lies approximately 1,000 feet below the surface of the earth.

Up to the present time only two sylvinite bodies have been found that are rich enough to justify the expenditure of the very large sums of money necessary to develop and equip a mine and the refinery essential to the production of the high-grade product known as muriate or chloride of potash. Both of these sylvinite bodies are being developed. One mine was placed in operation in 1931, after the completion of a shaft 1,000 feet deep. A second shaft was completed in June 1933, this being a further development of the first mine, and lying 2,200 feet south of the first shaft. In January 1934 a shaft on the second property controlled by another company and lying 8 miles north of the first development, was completed, and salts are now being shipped from this new mine. In September 1932 the company operating the first mine to be opened completed a refinery which is connected with the mine by a 16-mile tramroad. This refinery was equipped to manufacture nearly 150 tons of muriate per day. In 1933 this plant was enlarged to a capacity of 200 tons per day, and at the present time is being further enlarged to a capacity of 400 tons per day, or about 140,000 tons per year.

The mining and refining of potash in eastern New Mexico has had a profound effect on the welfare of that section of my State. The industry was developed during the

depression and has helped to absorb much of the unemployed labor in that region. I am informed nearly 600 men are now employed in that activity. Most of them are married and have children dependent on them, and they want to become permanent residents of the community nearest the mines and refinery. The pay roll of this industry, of course, benefits a much larger number of people. It is important that the industry be stable and permanent.

The potash producers of New Mexico have gladly cooperated with the Government in assuming their share of the recovery program. They are operating under the Code for the Chemical Manufacturing Industry. The increased costs of N.R.A. they have had to absorb, as there has been no increase in the price of potash. Wages are high, probably the highest in New Mexico. Miners are paid \$5.85 per shift of 8 hours. This is to be compared with about \$2 in Germany, \$1.33 in France, \$1.05 in Spain, and nominal sums in addition to food and shelter and clothes in the Soviet Union. Despite this wide spread between the American wage scale and those in effect abroad, and despite high freight rates for movement of potash from New Mexico to eastern and southern purchasers of this commodity, these American producers can and do compete with foreign producers at present prices. Here again it must be emphasized that potash is on the free list.

Starting on these premises: First, that here is an American industry, young, it is true, but a lusty infant that has been very active since 1931 in a market formerly monopolized almost completely by foreign producers; second, that it is so successful in its enterprise that about half the domestic demand is now supplied by these American potash miners and refiners, including, of course, the California producer; and, third, that it has no tariff protection—how can it be said that potash is not produced regularly in commercial quantities in the United States, and therefore belongs in lists of commodities the importation of which should be encouraged in reciprocal trade agreements with foreign countries?

On the contrary, the potash industry deserves consideration at the hands of the Federal Government, and of the States as well. Potash is an essential chemical that must be produced in the United States in sufficient quantities to meet the needs of the Nation in time of war, when foreign supplies may be cut off. We cannot, we must not, be dependent on any foreign source for this highly important commodity. We must not be dependent on distant lands across the oceans for our potash. We are now independent to the extent of production capacity at home about twice as great as the home market demands. Of course, consumption of potash is still far below that of pre-depression years, and can be expected to increase as recovery advances, but when consumption returns to normal, American producers of potash can still fully supply the domestic demand.

It has been pointed out that Germany, for nearly 70 years, supplied the United States and the other countries of the world with potash. The Treaty of Versailles returned Alsace to France, and thus the potash deposits of that province came under Government ownership and control. The French Government has operated the Alsatian potash mines since the ratification of the treaty. For years, the final policy as to future operation was in doubt. After a period of Government operation, it was to be decided whether this would be continued, or whether the mines would be leased or sold to private producers. Recently it was decided that the Government operation would be continued as a permanent policy.

The ink was not dry on the Versailles Treaty, however, before the German potash syndicate and the French Government agreed to join in a marketing arrangement in order that competition might be limited and the potash market kept stable. Accordingly, today German and French potash is sold by the N. V. Potash Export, My., a corporation organized and incorporated in Holland. This corporation still supplies half the American market with potash, including sulphates of potash which American concerns have not pro-

duced as yet. N. V. Potash Export, My., has offices in all of the countries of the world where potash is used, except the Soviet Union.

The real menace to the new American potash industry arises from other countries than France and Germany; it is the development of immense bodies of potash in Spain and the Soviet Union. Spanish and Soviet potash is just entering the American market and threatens to demoralize the market by trade practices that would never be permitted under a code of fair competition. Reliable information is to the effect that Spanish potash was sold in the United States in 1933 at the market price, less regular discounts and less further substantial discounts labeled "propaganda" or "advertisement allowances."

Likewise, I am informed, in 1933, 57,159 short tons of Spanish potash were imported into the United States and sold by brokers or other selling agents as compared with 18,640 tons in 1932. In 1934, in the months of January and February, 38,317 tons entered the United States from Spain. There are three mines in Spain. Minas de Potasas de Suria is owned by German interests, and its product is marketed by N. V. Potash Export, My., the German-French selling syndicate. Potasas Ibéricas, S.A., which has a mine with unusually rich ore, is developing a big producing property, and in July 1934 will complete its refinery. It is controlled by French capital. Unión Española de Explosivos, also developed and operated by French interests, is the third enterprise in the Spanish potash fields. All of these companies produce potash with cheap labor, and their transportation costs to Barcelona are very small. At Barcelona shipments to the United States are made by boat at low rates. In fact, German, French, and Spanish potash can be transported from the mines and refineries to Atlantic and Gulf ports of the United States at about the same cost as rail transportation of New Mexico potash to the nearest Gulf port, whence it can be moved by boat to other Gulf ports and Atlantic seaboard harbors. In other words, rail costs alone for the short haul from Carlsbad to Texas Gulf shipping points equal or exceed total transportation costs of foreign potash in competition with the New Mexico product.

Potash from the Soviet Union reached the United States for the first time late in 1933. Only a small quantity arrived at New York via vessels from Vladivostok. This was sold at a price well below the market quotations of potash. It is now reported that about 25,000 tons of Soviet potash will be in the American market in 1934, and that this will be sold at least \$6 per ton below any other prices effective in this country. It is probable that secret discounts and rebates will also be offered. The object of the Soviet Government is to establish credits in this country with which to purchase American-manufactured commodities which are not available at home. Evidently the policy is to sell potash at any figure below American market prices that will assure disposition of the tonnage available. By 1935 Soviet production will approach 3,000,000 tons annually.

It is understood that additional shipments of Soviet potash will come from Black Sea ports. The mines are near the base of the Ural Mountains at Solikamsk and Berensniki. This means that transportation of their products must be by boat or barge 2,000 miles down the Volga to the canal connecting this river with the Black Sea, thence through the canal to transoceanic boats at Black Sea ports. Labor costs are almost negligible, and hence neither mining, refining, nor transportation costs can be compared with American costs. Soviet competition in the potash industry is therefore, first, a menace to market stabilization, and, next, it is a dangerous threat to employment and investment in American potash enterprises. If it is contemplated that in reciprocal trade agreements under the new tariff act that Soviet potash shall be imported in part consideration for purchases of American-manufactured commodities and agricultural products, representatives of American industry should be accorded opportunities for hearings on the proposed undertaking. It is to be hoped that with all the facts regarding American production of potash before them, representatives of the United States will not consider importations of Soviet

and Spanish potash in the negotiation of reciprocal trade agreements but will take the position that the American market should be reserved for American producers. The world market requires about 1,330,000 tons of potash annually, and of this our country requires about one sixth. This amount the domestic producers can supply and still fall short of utilizing the capacity of their plants.

There is another phase of this problem that deserves consideration. The New Mexico potash deposits are in territory owned by the United States and the State. The potash mines are operated under leases from the Federal Government and from the State of New Mexico. Royalties on the value of the raw and refined products are paid by the operators. Mining and related activities are carried on under the general supervision of the Department of the Interior officials. A large initial investment was made in exploration and research work and mine development and equipment on the requirements of the Government under its leases. This investment must receive reasonable protection. Good faith and contract obligations require consideration of the New Mexico operators and their interests when potash is proposed as a commodity that may be imported into the United States under reciprocal trade agreements.

Investment in the potash industry in New Mexico now exceeds \$4,000,000, while the American Potash & Chemical Corporation, owner of the plant at Trona, Calif., is reported to have expended nearly \$15,000,000 in plant and equipment and other property. The industry as a whole—that is, including the properties in New Mexico and California—employ considerably in excess of 1,200 men.

At my request the Department of the Interior, through the General Land Office and the Geological Survey, furnished the following data, which I ask unanimous consent to have inserted in the RECORD at the conclusion of my remarks:

First. Three and a Quarter Centuries of the Potash Industry in America, by H. I. Smith, Chief Mining Division of the United States Geological Survey, being a reprint from the Engineering and Mining Journal of December 1933 (not necessary to reprint diagrams or pictures).

Second. Potash as an International Commodity in 1932, by J. W. Turrentine, fertilizer and fixed-nitrogen investigations, Bureau of Chemistry and Soils, United States Department of Agriculture, being a reprint from the American Fertilizer of November 4, 1933.

Third. Potash in International Barter, from Oil, Paint, and Drug Reporter of March 26, 1934.

Fourth. Article in Russian Economic Notes of the Department of Commerce, Bureau of Foreign and Domestic Commerce, no. 269, of March 15, 1934, called "Soviet Potash—for the Collective and State Farms", Pravda, January 12, 1934.

Fifth. Russian Potash on the World Market—Competition to German-French Syndicate, being an extract from an article in Vossische Zeitung, Berlin, February 2, 1934.

Sixth. Developing Spanish Potash, Operation of the Catalonian Concessions, from Chemical Industries of December 1933.

Seventh. Potash Production by Potash Ibéricas, S. A., from the American Fertilizer of February 24, 1934.

Eighth. Table of potash exports from Spain during 1933.

Ninth. Spanish imports and exports of potash during 1933.

Tenth. Statistics—exports of potash from Barcelona during January and February 1934.

Eleventh. Potash Imports Into the United States (total imports), taken from World Trade Notes on Chemicals and Allied Products, volume 8, no. 9, of February 24, 1934, by Department of Commerce, Bureau of Foreign and Domestic Commerce.

The PRESIDING OFFICER. Without objection, the matter referred to by the Senator from New Mexico will be printed in the RECORD.

(See exhibits following Mr. HATCH's address.)

Mr. HATCH. Finally, Mr. President, let me say I hold no brief for the companies producing potash. They are amply able to fight their own battles. I am interested, as a citizen of New Mexico, in letting the public know that we have in

New Mexico potash deposits sufficient to supply the needs of America in times of peace and in times of war.

The importation of potash, with the encouragement and assistance of the Department here in Washington, could very injuriously affect those citizens of New Mexico who are interested in this great industry.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. LONG. I was wondering whether, under the present scale of tariff, the potash industry in this country is not pretty badly crippled. It is crippled now, as I understand; is it not?

Mr. HATCH. It can be; yes.

Mr. LONG. Is it now?

Mr. HATCH. It is; and its condition is certain to become worse than it now is. Potash is on the free list. There is no tariff on potash.

Mr. LONG. I wish to say to the Senator from New Mexico that whenever the question comes up for consideration in the Senate, I shall be very glad to vote to put a protective tariff on potash.

Mr. HATCH. I thank the Senator. I hope he may have that opportunity.

Mr. President, I trust the Department in Washington, or any other agency of the Government, for that matter, will not take any ill-advised or hasty action which may destroy or injuriously affect this new industry, which is of vast importance to all the people of the United States.

#### EXHIBITS

[From the Engineering and Mining Journal, vol. 134, no. 12, December 1933]

#### THREE AND A QUARTER CENTURIES OF THE POTASH INDUSTRY IN AMERICA

(By H. I. Smith, Chief Mining Division, United States Geological Survey)

#### SUCCESSFUL EXPLORATION BY UNITED STATES GEOLOGICAL SURVEY RESULTS IN THE DEVELOPMENT OF ENTERPRISES ABLE TO COMPETE FOR DOMESTIC MARKET

The year 1933 may be appropriately celebrated as the three hundred and twenty-fifth year of an endeavor to produce in America potash for domestic needs, for it is recorded (Krepp, T. J.: "Vicissitudes of the American Potash Industry", Journal Economic and Business History, August 1931) that in 1608 the London Co. included, with its colonists, Poles and Germans "to produce soap ashes and other chemicals."

The early American potash industry was dependent upon wood ashes, and potash was made from wood ashes at Piscataqua, N.H., as early as 1631 and in Maine a few years later. South Carolina in 1707 subsidized the production and exportation of potash, but on account of the low potash content of the trees in the South Atlantic States her hopes were doomed to disappointment. Massachusetts in 1735 enacted measures to encourage potash production, and in 1741 granted a limited monopoly. This was followed by a monopoly in Rhode Island in 1753.

As early as 1750 American potash was found in English markets, and it was soon given encouragement by being entered duty free, largely through the efforts of Thomas Stephens, a producer of potash in the Colonies, who was awarded a grant of £3,000 "for his experience in introducing the manufacture of potash in the British plantation in America."

So little potash was produced during the Revolutionary War period, in spite of the great abundance of trees suitable for its manufacture, that at one time Massachusetts advertised a bounty of £100 a ton for potash manufactured in the United States, and potash was accepted in lieu of taxes.

During this time the manufacture of potash was understood by a relatively small group of men, and the products reaching England from different parts of the world ranged from poorly processed wood ashes to high-quality salts. Moreover, the price fluctuated greatly, at times stimulating and at times stifling production. The chief periods of export from America during Colonial times were between 1752 and 1757 and between 1764 and 1773, when the annual value of the exported salts was about \$250,000.

From the Revolutionary War until after the Civil War the value of the American potash exports increased greatly, and, except for a few years, ranged in total annual value from \$500,000 to \$2,000,000 and in price from about \$100 to \$200 a ton. According to the census of 1850, production of potash was America's most thriving chemical industry. At that time 569 plants were reported producing potash from wood ashes. Curiously enough, France, from which the United States now imports considerable potash, was then our best customer.

#### YIELDS FROM WOOD

According to C. E. Moore, in the report of the Twelfth Census, 1900, the amount of potash obtainable from different kinds of trees varies considerably. The yield from chestnut was only 2 pounds from 5 tons of wood, but pine yielded 8, maple 18, and

elm 39 pounds. American production was stimulated by the movement of the population into areas having forests that furnished high yields of potash, such as those south of the St. Lawrence River and the Great Lakes, and continued to thrive until the end of the Civil War, when there was a great decline, attributable not so much to the cutting off of the timber as to the perfecting of the Le Blanc process for making soda ash and the substitution of sodium salts for potash in making soap for world trade as well as domestic trade. As late as 1900, 67 plants reported a production of 1,782 tons of K<sub>2</sub>O from this source, declining until the World War, when it was again revived.

The American potash industry based on wood ashes did not have its prime importance in export trade, important as that may have been during the days when there was little to sell abroad and much to buy, but from early Colonial days its service to the American people in the manufacture of soap, chemicals, explosives, glass, dyes, and other materials was of far greater value. Some people still remember when the ash man used to drive through the streets of the towns of the Great Lakes States shouting "Soap for ashes!" and trading a cake of soap for 2 bushels of ashes.

The second stage in the demand for potash began with the discovery of potash by analysis of brine from a well started in 1839 near Stassfurt, Germany, while exploring for salt; also from the discovery of potash salts in a nearby shaft in 1857, and the determination in 1858 that the salts were valuable as a fertilizer soon after Liebig had published his research on that subject. Mineral potash was first utilized in 1860, when Dr. Frank established a factory near the Stassfurt shaft for the production of potash from these salts.

At first, as the crop production from virgin American soils declined, new fields were cleared and new territory was settled. This procedure could not be continued indefinitely, however, and in time potash became an agricultural necessity. As a fertilizer, wood ashes were largely incidental, and until the present time the United States has depended largely on German potash for agriculture.

#### SEARCH FOR NEW SOURCES

The search for new sources of potash in America has been a long and persevering task, particularly since 1910, when Germany, to maintain its prices and its monopoly, passed certain restrictive laws that in effect required American purchasers to surrender advantageous contracts. This action aroused the American Congress, and consequently in 1911 an act was passed providing funds to search for domestic sources of potash and to perfect processes of extraction of potash from various types of materials. This act provided the basis for the systematic search by the Geological Survey and other Government agencies that has been in progress ever since. The Geological Survey has sought mainly for suitable supplies of natural soluble potassium salts. The search has now culminated in the finding of adequate reserves of soluble mineral potash and the beginning of a potash industry in this country capable of competing with the foreign producers. Total expenditure by the Geological Survey since 1910 and the Bureau of Mines since 1926 in the search for potash has been about \$750,000. This sum is less than the value of the first full year's production from a mine recently developed in New Mexico as an outgrowth of the congressional act mentioned in the foregoing.

When Germany placed an embargo on potash, January 30, 1915, investigations of domestic sources of potash were fortunately well under way. Potash had been discovered in brines of deep wells drilled in Texas; in the western lakes of Nebraska; in Albert Lake, Oreg.; Searles, Minn., and Owens Lakes, Calif.; and in marsh lands in Nevada, Texas, and California. Studies had been made of deposits of leucite in Wyoming, alunite in Utah, greensands in New Jersey, and feldspar in different States, salt deposits from East to West, and potash available in dust from cement mills. Studies had also been made by other agencies of organic substances such as sugar-beet wastes, kelp, wood ashes, distillery wastes, and wool scourings.

By 1915 wood ashes had definitely ended their 3 centuries of dominance as a source of potash in America, and had been supplanted by brines; but the production of potash from brines will soon be superseded by production from soluble mineral potash salts.

Aided by the information already gathered by the Geological Survey, the American consumers of potash readily turned to known sources to supply their needs. The recovery of potash from any of these sources was slow to get under way. However, stimulated by prices 5 to 10 times those of pre-war years, American producers supplied a notable amount of potash until imports again became available.

As might have been expected, many promotional schemes were organized to capitalize the potash shortage during the war period, though without chances of permanent success. As early as 1915 potash was produced from Nebraska brines, Utah alunite, California cement-plant dusts, California kelp, and wood ashes from several States.

#### WAR-TIME PRODUCTION SUMMARIZED

The futility of attempting to supply American potash needs from organic substances and from mineral industrial wastes is well illustrated in our war experience. With few exceptions, all plants utilizing these sources ceased operating when or before the price of potash dropped to \$200 a ton.

Investigations of marshes and dry lakes as a source of potash were well worth while, inasmuch as most of our potash used during the war was produced from such places.

In 1918 potash was produced in 21 States and Puerto Rico by 128 plants, which yielded 54,803 tons of  $K_2O$ , the greatest amount ever produced in America up to that time. Nebraska furnished 53 percent of the total; California, 34 percent; Utah, 7 percent, and the other 18 States and Puerto Rico, 6 percent. Brines were the principal source of potash, being utilized by 27 plants, of which 19 were in Nebraska. These plants produced 24,330 tons of potash, or 73 percent of the total American production. Kelp supplied 9 percent; molasses distillery waste, 6 percent; alunite, 5 percent; cement and blast-furnace dusts, beet-sugar water, wood ashes, wool washings, and other sources, 7 percent. The total output in 1918 represented about 22 percent of our normal annual consumption. Of the 128 producers, 51 reported potash from wood ashes, but they produced only 673 tons, or less than 8 producers obtained from Steffens water from beet-sugar refineries. The average yield per plant from wood ashes was only 13 tons, as compared with an average of 1,471 tons for the 27 plants producing from brines. Alunite, with 655 tons per plant for the 4 plants, showed the second highest average yield.

#### SUBSURFACE EXPLORATION

Subsurface exploration for soluble potash salts and brine deposits was begun by the Geological Survey in 1911, near Fallon, Nev., in what was formerly Lake Lahontan. By the end of the drilling program in 1917 it had drilled at Timber Lake, Silver Peak Marsh, Columbus Marsh, Black Rock, and Smoke Creek Desert, Nev., and at the south end of Death Valley, Calif.

Examinations were made also of samples from wells drilled in Deep Springs Valley near Muroc station, and at Cadiz Lake, Calif., and in Railroad and Dixie Valleys and at Ash Meadows, Nev. Numerous salt deposits, particularly in the eastern half of the United States, were also investigated.

The occurrence of potash in surface brines in the trans-Pecos area, Texas, was mentioned in 1904 (Richardson, G. B., U.S. Geological Survey Bulletin 260, pp. 578, 1904), and one of the salt deposits to gain early attention was the Permian salt basin, in Texas and New Mexico, one of the very large salt deposits of the world. Attention was drawn to the subsurface possibilities of this basin by the Survey in 1910, in the first volume of Mineral Resources that contained a chapter on potash. Two years later, potash was reported in the brines of the well at Spur, Tex., by J. A. Udden. The search for potash in oil-well cuttings, brines, and core tests in this basin has been continuous since that time. Many are familiar with the reports by Survey geologists, White, Steiger, Hoots, Darton, Lang, Mansfield, and Schaller, on the progressive steps in the investigations that preceded the present developments.

After several years of intensive study, representatives of the Geological Survey, in cooperation with the University of Texas, selected a site near Cliffside, Tex., to drill for potash. This site was in that part of the basin showing the best indications for potash up to that time. The test hole, completed at a depth of 1,703 feet, late in 1917, was disappointing. In the meantime the E. J. Longyear Co. drilled a core test hole for private interests near Carlsbad, N.Mex., near the western edge of the salt basin and a few miles southwest of where the United States Potash Co. later discovered potash. No potash minerals were found, but a location a few miles farther east would have been exceedingly valuable in 1917.

The first soluble mineral potash salt identified from deposits in the United States was polyhalite. This identification was made by R. K. Bailey, of the Geological Survey, February 17, 1921, in samples from the Bryant well, near Midland, Tex. In 1924 a sample of drill cuttings from the Crescent Eagle well, east of Green River, Utah, was turned over to the Geological Survey by A. G. Burnett and identified by R. K. Bailey as carnallite. This was the first time an occurrence of this mineral had been reported from American sources. A month later a sample from Texas that had been privately identified as sylvite was sent in by D. C. Barton, and this identification was confirmed in the Geological Survey. Early in 1925 a sample from a greater depth in the Crescent Eagle well was examined and found to contain sylvite. Only a few months later potash was found in a well drilled by the Snowden-McSweeney Oil Co. on a Government oil and gas permit held by V. H. McNutt. An abundance of polyhalite and a small quantity of sylvite were identified by Bailey in cuttings from this well. Previous to drilling this hole neither of these minerals had been reported from New Mexico sources. The discoveries in Texas and Utah did little to invite core drilling, but the discovery in New Mexico, in beds less than 2,000 feet deep, stimulated intensive exploration by diamond drilling.

The first core test hole drilled by Snowden-McSweeney for potash was started April 14, 1926. In June the Federal Potash Exploration Act was approved, and late in July the first Government drilling locations were made in New Mexico.

#### RESULTS OF DRILLING

As a result of drilling to date, the area in which some potash minerals have been found within the Permian basin constitutes about 40,000 square miles (Mansfield, G. R., and Lang, W. B.: Government Potash Exploration in Texas and New Mexico. A.I.M.E. Technical Publication 212, 1929). In this one core-test hole has been drilled for about each 500 square miles. The area considered most promising for potash minerals other than polyhalite covers about 3,000 square miles, in which one core-test hole has been drilled for each 50 square miles. In 100 square miles of this area one hole has been drilled to each 2 square miles, and 33 square miles has been proved to contain as much as 14 percent of  $K_2O$  in the form of sylvite in beds 4 feet or more in thickness.

This area of 33 square miles, small as it may seem, is more than half the size of the area under development for potash in France. Only a few square miles contain salts that can be sold without enrichment in competition with imported manure salts.

The zones of enrichment are numerous and vary in richness and thickness. The term "beds" has been used to designate zones where the potash salts are concentrated, and I have distinguished 40 such beds that have been cut by the drill in the proved area, half of which are above the anhydrite in the sylvite zone.

The sylvite zone at the shaft contains a section of 82 feet and another of 58 feet that average about 9 percent  $K_2O$ . The bottom 10 feet ranges from 25 to 30 percent of  $K_2O$  over the area, which is now being mined.

Considering that more than \$1,000,000 has been spent by Government and private agencies in core drilling for potash in the Permian salt basin of New Mexico and Texas, and that the cuttings from many other wells have been examined, any proposed new prospecting for potash must be considered highly speculative, even with the definite information now available.

The most attractive deposits of sylvite, carnallite, polyhalite, and langbeinite so far found in the Permian basin lie within the 100 square miles of prospected land east of Carlsbad. The sylvite deposits that are over 4 feet thick and contain over 14 percent of  $K_2O$  provide a reserve estimated at more than 100,000,000 tons of  $K_2O$ . Carnallite is not considered of present value except as a source of salts for drilling solution. The best showing of carnallite is the bed which I have designated "no. 17" and which is cut by the United States Potash Co.'s shaft. Langbeinite is found in the lower sylvite zone, but except in two or three localities is of low grade.

Polyhalite is the most abundant of the potash minerals, both in number of beds and in extent of deposits. However, polyhalite in a single bed over 4 feet thick and containing over 12 percent of  $K_2O$  has not been proved to be continuous over a very large area. One reason for this is that the development of polyhalite has not yet been seriously considered, and as some of the most promising polyhalite deposits lie some distance below the lower sylvite zone, and only a few holes have been cored deeply enough to test these lower beds, more prospecting is needed before any area can be considered proved sufficiently to open a mine solely for polyhalite. The polyhalite beds vary in thickness and in the amount of anhydrite present. Within short distances a rich polyhalite bed may change to one with a high percentage of anhydrite, and for this reason closer drilling may be needed than has been required for sylvite before reliable estimates of reserves of polyhalite can be made. There can be little doubt of the adequacy of reserves of polyhalite to meet requirements when a demand is developed for this mineral. One of the best polyhalite beds so far found was cut at a depth of 1,250 feet in a private core. It is 9 feet thick and averages 13.5 percent of  $K_2O$ .

#### COMPOSITION OF POTASH MINERALS FOUND IN NEW MEXICO AREA (According to Dana)

Polyhalite	$K_2SO_4 \cdot MgSO_4 \cdot 2CaSO_4 \cdot 2H_2O$ 28.9% $K_2SO_4$ , 15.6% $K_2O$
Langbeinite	$K_2SO_4 \cdot 2MgSO_4$ 42.1% $K_2SO_4$
Sylvite	KCl 52.4% K
Carnallite	$KCl \cdot MgCl_2 \cdot 6H_2O$ 26.8% KCl

With the known reserves in New Mexico and the reserves in Seales Lake it is doubtful if the other potash resources exploited during the World War will again assume commercial importance unless the potash should become a component or byproduct salt.

The technic of core drilling in the Permian salt beds developed as drilling progressed. Diamond, bort, and stellite bits were used. A 2½-inch, double-core barrel containing special features for a minimum circulation on the cut core was worked out in the early drilling for the Snowden-McSweeney Co. and has been used with modifications in drilling since that time. The drilling solution likewise was improved progressively. Longyear tried oil and then salt brines as a circulating solution. The solution used in later drilling in New Mexico consisted of a saturated solution of sodium and magnesium chloride. The importance of constant control to see that the solution was kept at full strength was not always appreciated. Late in 1930 potassium chloride was added, and in 1931, in place of purchasing high-priced potassium and sodium chloride, the salts from the United States Potash Co.'s mine were used to make a saturated solution, to which magnesium chloride was added. This was further improved by requiring the drillers to preheat the solution prior to circulation. Mud has even been added in new solutions in the belief that etching of the cores would thereby be reduced. Dependence for good core is now placed on close control of the saturation of the solution.

#### GAS AND WATER ENCOUNTERED IN SHAFT SINKING

The no. 1 shaft of the United States Potash Co. is 20 feet 4 inches by 5 feet 6 inches inside of the timber. It is divided into four compartments and is 1,062 feet deep. It was sunk 80 feet below the mine workings to provide an ore pocket and opportunity for skip loading. It was started in December 1929, and the first shipment of potash was made in January 1930.

In sinking, air-hammer machines with nonrotating chisel bits, similar to those used in tearing up street paving, were used.

These hammers were found to work satisfactorily in the soft formations and eliminated the necessity of shooting, which greatly reduced the shattering effect on the shaft wall and permitted excavating within shaft dimensions. About 50 gallons of water a minute was struck in the upper formations, and a water tunnel was driven nearly around the shaft and a sump and pump were placed in it.

Gas high in nitrogen, with appreciable quantities of methane and hydrogen, and under heavy pressure was encountered when certain polyhalite beds were cut, but the pressure was soon dissipated after the round was shot. This gas was flammable when mixed with air, but by fortunate circumstance and skillful handling no injuries occurred. The presence of hydrogen, which is found also in European potash mines, though not in coal mines, is an interesting feature.

The shaft was lined with Port Orford cedar. The air compartment was first separated from the hoisting compartments with wood, but this was later changed to sheet-metal lining. On completion of shaft 2, the shaft is to be fireproofed.

Shaft 2, about 2,000 feet south of shaft 1, is 15 feet 10 inches by 5 feet 6 inches inside of timbers and has three compartments. It was sunk to a depth of 955 feet since July 1932, and was connected to the main south entries from the no. 1 shaft on June 14. The limitation of the number of men permitted in the mine at one time prior to the completion of a second means of escape will be removed and the mine permitted to operate at full capacity as soon as the necessary changes are made in the ventilation. Prior to reaching the water sands in this shaft, two holes were drilled about 15 feet north and south of the shaft site and grouted, in an attempt to test and partly seal the water-bearing strata, and when the shaft was sunk to a depth of 183 feet, two series of holes were drilled to complete cementing off the water. In sealing the water in the formation 253 tons of mud,  $2\frac{1}{2}$  tons of excelsior and cotton hulls, and 4,600 sacks of cement were pumped into the formation. The shaft was then sunk through the water-bearing formation and a 65-foot section of concrete lining was put in from 230 to 295 feet. This concrete lining ranged in thickness from 36 inches at the bottom to a minimum of 12 inches at higher levels.

The third shaft in the field is being sunk by the Potash Co. of America. This shaft was started February 11, 1933. Unless delayed in sealing out the water, this company should also begin production this year, and thus become the second large enterprise depending entirely on potash for its output and the third potential source for large tonnage in the United States.

#### PRODUCTION CAPACITY EQUAL TO DEMAND

Potash deposits in New Mexico lie relatively flat and in such manner that they can be readily mined by the room-and-pillar system. The crude salts are of a grade suitable for market after grinding as 25 to 30 percent manure salts. To meet any emergency the United States Potash Co. stored about 30,000 tons in the open during the summer of 1932, to be ground and shipped or refined as occasion demanded. The capacity of the mine is ample to meet any anticipated demand. The refinery, 16 miles from the mine, has been operated at a capacity considerably over 100 tons daily, and the product is meeting the requirements of the chemical as well as the fertilizer trade.

With the completion of the shaft of the Potash Co. of America, New Mexico has a better opportunity than others to hold the production unless unfavorable freight rates, taxes, and royalties should stimulate development elsewhere. The royalties under State leases are usually 5 percent, and the State receives  $37\frac{1}{2}$  percent of the royalties collected by the Government.

The importance of the potash deposits to the railroads is indicated by the fact that the product from the United States Potash Co.'s mine during July, August, and September 1932 was handled by 33 different railroads on its way to chemical or fertilizer factories. Shippers by water have likewise been benefited.

The market trend with respect to the grade of salts imported prior to 1932 is reflected in the decline of imports of kainite and manure salts. Imports of kainite dropped from over 600,000 tons in 1910 and 1911 to 113,938 tons in 1932. Manure salts reached its peak in 1928, with 453,242 tons; sulphate in 1930, with 96,608 tons; muriate in 1931, with 306,047 tons. These maximum figures may be compared with total imports for fertilizer of 287,929 tons for 1932, which is only slightly more than twice the American production of 143,120 tons and less imports than for any other year since 1921.

The capacity of the Searles Lake refinery, in California, may be increased 50 percent on the completion of construction now suspended. As only a few months' time is required to construct new refineries or add additional units, American producers are in a position to contract up to the full American demands for potassium chloride salts, except for low-grade salts that have a value less than the mining costs and freight to market. The American sulphate salts in their natural state are at the border line of value between freight cost and selling price and are possibly of too low grade to compete with imported salts without lower freight rates or some enrichment.

No effort has been made by American producers to enter the sulphate market, so that European producers still have no competition in the field of the sulphate and the low-grade salts.

The fact that the price of potash in American markets after the World War did not increase in proportion to the cost of other commodities caused a large saving to the American consumer. But the question arises whether the low prices resulted from the long-

established policy of a certain group in Germany who believe in low prices and increased production, or whether they have been maintained low to discourage development in America, Russia, Poland, Spain, and the Dead Sea. The fact that there was no premium on potash immediately after the World War and that those producing here were forced to cease operations before having a chance to adjust their operations gradually to a rapidly falling price may have some significance. New operations certainly were discouraged by this fall in price.

The present American situation is encouraging in that our resources are sufficiently large to eliminate all fear of a lack of supply of potash of a grade sufficiently high to meet any price that may be set abroad, short of dumping, and that the American farmer will get a higher potash content in his mixed fertilizers without a proportionately increased cost.

#### SULPHUR NEAR POTASH BEDS IN NEW MEXICO

We still lack potassium sulphate, but this is no problem, as natural sulphur deposits are reported to have been found close to the New Mexico potash development. Sulphuric acid is available at El Paso. Hydrogen sulphide gas in large quantities is being burned in the air at the Hobbs oil field, a short distance to the east. Sulphur is available along the Gulf coast. Some one of these sources will be used when it is advisable to convert the potassium chloride to sulphate. Polyhalite is found over widespread areas and can be supplied to the sulphate market without refining, or, according to the Bureau of Mines, it can be treated in a reducing flame to yield potassium sulphide containing 77 percent of  $K_2O$ , the cost of freight being thus greatly reduced. Polyhalite, either raw or enriched, can supply the necessary sulphate and magnesium salts when it becomes economical to do so.

American exports of potash salts increased from 15,532 tons in 1929 to 31,291 tons in 1931. The exports went largely from California and may reasonably be expected to increase in the Pacific markets.

In conclusion, potash is now a world commodity, like nitrate and phosphates, and its production is no longer under the control of a single nation.

Acknowledgment is made in the preparation of this paper for references furnished by T. C. Cramer, chief chemist of the United States Potash Co., and for assistance in the preparation of the paper to G. R. Mansfield, geologist of the Geological Survey.

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POTASH AS AN INTERNATIONAL COMMODITY IN 1932—A PAPER PRESENTED AT THE EIGHTY-SIXTH MEETING OF THE AMERICAN CHEMICAL SOCIETY, CHICAGO, SEPTEMBER 10-15, 1933

(By J. W. Turrentine, fertilizer and fixed nitrogen investigations, Bureau of Chemistry and Soils, United States Department of Agriculture, Washington, D.C.)

A discussion of potash as an international commodity would naturally concern itself principally with that potash derived from the refineries of the German-French Cartel since that group still controls 81 percent of the world's potash output. Interest lies, however, not so much in the performance of that well-entrenched and highly efficient organization as in the efforts of other groups in various parts of the world to acquire a share of this business. The advantages possessed by the German-French Cartel represented by excellent deposits, experienced staffs, economical chemical processes yielding valuable byproducts, cheap water transportation virtually from the mine to the foreign port of entry, constructive world-wide educational propaganda, and above all, sympathetic governmental solicitude, represent a combination of favorable circumstances, natural and designed, not easily matched. Such odds arouse the spectator's interest while leading him perhaps to place undue emphasis on any gains registered by the less-favored contestants. There can be no question of the great service rendered the agricultural world by the German potash producers in educating the farmer in the profitable use of potash fertilizers and providing him with abundant supplies at prices both reasonable and stable. The business volume developed is a measure of that service—but service carries no immunity against competition.

The delivery charge on commodities in international trade in the absence of protective tariffs represent their most vulnerable point of attack as offering a margin to cover possibly higher production cost in a more restricted market. Delivery charges on potash salts can be reduced by raising the potash content. But this has its limitations. Further reductions are to be accomplished by the enlightened cooperation of transportation interests, volunteered or enforced. Nationalism as expressed by self-containment in essential commodities, augmented by pressure to create new industry wherewith to combat unemployment, adds impetus to the contest. We therefore find in various localities of the world consistent efforts being made to participate in the potash trade with results that are rather surprising, considering the unequal odds involved. The problem is much easier and more logical where only a domestic market is the goal, but to invade a foreign market so long preempted and efficiently served, calls for increased assurance.

While 81 percent of the world's potash output is ascribed to the German-French Cartel, this position in international trade appears somewhat less impregnable when it is recalled that 76 percent of the German and 50 percent of the French output are currently consumed in their respective domestic markets. Their exports

represent 66 percent of the world trade in potash conducted outside of those two countries.

America continues to be the leading purchaser of foreign potash and is the principal battle ground on which the relative strength of competitors will be tested; already there have been received at our ports deliveries of potash from Spain, Chile, and Palestine, too small, however, to do more than indicate the mental trend of the contestants.

The year 1932 witnessed unprecedented changes in relative values. In that year potash imports dropped to the low level of only 292,000 short tons of fertilizer salts, equivalent to 96,000 tons  $K_2O$  and valued at \$5,900,000 as compared with 1929's imports of 783,000 short tons of salts, equivalent to 300,000 tons  $K_2O$  and valued at \$18,000,000.

In the same year (1932) sales of domestic potash amounted to 121,000 tons of salts, equivalent to 56,000 tons  $K_2O$ , to be compared with 1929 sales of 101,000 tons of salts, equivalent to 58,000 tons  $K_2O$ . Thus, within a 4-year period, while there has been a decline of 68 percent in imports, the decline in domestic sales has been only 2 percent; and the ratio of domestic sales to the total quantity of fertilizer potash consumed has advanced from 16 percent in 1929 to 37 percent in 1932.

Sweeping conclusions are not properly to be drawn from this year's record admittedly abnormal with a 50-percent reduction in fertilizer sales. The question might properly be asked, however, why this reduced potash consumption has been made at the expense of the imported rather than the domestic commodity. Whether this is fundamental and permanent, or casual and temporary, can only be determined when fertilizer consumption returns to its normal level.

That the domestic industry is now in a position to greatly expand its output is common knowledge. The mines of the United States Potash Co. near Carlsbad, N.Mex., can produce high-grade muriate to the capacity of its refinery, which is reported to be 36,000 tons per year, and in addition thereto can supply 25-percent manure salts to the further capacity of its two shafts. The American Potash & Chemical Co. at Trona, Calif., had expanded its refining capacity to 150,000 tons of 98-percent muriate just prior to the recession in volume of the fertilizer trade. There is accordingly an apparent capacity to produce, represented by these two refineries alone, a quantity of potash approximating 38 percent of our average potash requirements during the past 10 years.

Capacity to produce must be differentiated, however, from capacity to market as inherent in the latter are the various factors, known and unknown, to be proven as to their importance only by the course of events. With a second production unit imminent in the New Mexico field, that of the Potash Co. of America, a lively contest for a larger share of the American market is in prospect.

There is probably not a potash-production unit of importance in the world today that is operating at capacity. The wholesale closing down of operating shafts that has taken place in Germany in years past proves the fallacy of overemphasizing such figures, however gratifying they may be to those of us who have sought to foster the domestic industry, and furthermore conveys the warning, not lightly to be ignored, of the consequences of overdevelopment beyond the capacity of an accessible market. To broach the subject of overproduction with 63 percent of the domestic market still supplied from foreign sources would appear illogical; but should it eventuate that the accessible market is to be definitely circumscribed by a delivery charge, certainly an overproduction could be developed within that circle regardless of whether the American market as a whole is being supplied or not. The farmer will continue to buy his potash where he can obtain it at the lowest price. Achievements to date having been accomplished without favor of protective tariff, that expedient will scarcely be invoked to affect the balance. The answer will be rendered in terms of relative production costs and delivery charges, with concentration of salts affecting the latter. With deposits and skill in mechanization and chemistry inferior to none within our possession, the issue relates to delivery charges as the determining factor.

It must not be forgotten that the German-French producers stand as a unit in defense of their existing markets. Those who would dispute their prerogative, accordingly, have nothing to lose from unity of action as contrasted with individual and unorganized effort.

#### GERMANY

As a consequence of overexpansion the German industry has long been the subject of state control designed to preserve invested capital and profits without price increases that would jeopardize markets. The results as a whole have been favorable, although the farmers of the world have long been taxed to make good the unwise investments of the earlier potash producers.

The advantages of German state control were illustrated during the year under review. With the potash industry confronted by a 32-percent decline in business in the preceding year, the Reich Government, in collaboration with the Potash Syndicate, established a credit guaranty whereby, to protect and foster fertilizer sales, dealers were granted prior liens upon farmers' produce; there was also established a fund of 90,000,000 marks, to which the Government subscribed 57 percent and the interested fertilizer syndicates the balance, to refund losses from fertilizer sales limited to 25 percent of total deliveries. In consequence there was a decline of only 5 percent in domestic business volume as compared with the much more formidable percentages of preceding years.

The 1932 business volume of the German Potash Syndicate, of 847,000 tons  $K_2O$  (derived from approximately 6,300,000 tons of the

mined salts), represented a decline from sales of 964,000 tons in 1931, there being a 27-percent decline in exports in addition to the moderate decline in domestic business.

Exports of 684,000 tons of salts marked a recession from the 932,000 tons exported in 1931. Of these, manure salts (of 18-42 percent  $K_2O$ ) constituted 67 percent, while the higher grades (muriate, sulfate, and sulfate of potash-magnesia) represented 33 percent; of the former, the United States received 24 percent and of the latter 31 percent, a total of 177,000 tons of salts. As a mark of the wide distribution of German exports it may be noted that the balance of 500,000 tons of salts was divided among 40 other political units, from Iceland to Australia.

An item of interest worthy of passing note is Germany's growing trade in potassium nitrate, in 1931 amounting to 36,000 tons, 9,000 tons of which was purchased by the United States, the balance being distributed among many other countries.

#### FRANCE

The French, through their alliance with the German producers, possessing a fixed ratio of foreign sales of potash, are affected similarly by conditions in the export market, particularly in the United States. They lack, however, quite so large and stable a home market such as is possessed by the Germans, that market absorbing only 50 percent of output as contrasted to the 76 percent enjoyed by their ally. The advantages of a home market are appreciated, however, as shown by consistent efforts directed toward its development, efforts that have resulted in the expansion of that market from 46,000 tons  $K_2O$  in 1919, the year in which the Alsatian mines were sequestered, to the current 200,000 tons.

Thus during the year under review French production was reduced to 304,000 tons  $K_2O$  from the 367,000 tons in 1931, a recession of 17 percent in production compared with that year and of 40 percent compared with the peak output of 1930. Exports declined to 322,000 tons of potash salts from the 1931 level of 476,000 tons, a loss of 32 percent. Constituting this total were 235,000 tons of low-grade and 87,000 tons of high-grade salts, principally muriate; 55,000 tons were consigned to the United States. This latter figure, when compared with the 1929 shipment of 326,000 to the United States, represents a reduction of 83 percent.

#### SPAIN

Spain in 1932 advanced to fourth place among the potash-producing countries, with her output of 410,000 tons of mined salts, equivalent to 55,000 tons  $K_2O$ , challenging the position of the United States as third among producers. This represents a 95-percent increase ( $K_2O$  basis) as compared with the preceding year. Spain is frankly testing the export market, selling abroad 38,000 tons  $K_2O$  while disposing of only 15,000 tons in the domestic market. The product is the muriate, mostly high grade. With her deposits distributed among Spanish, Belgian, French, and German interests, it remains for the future to disclose what share of the international trade in potash she will be able to grasp and whether natural advantages represented by good deposits and proximity to ports will equal the close cooperation of the opposing interests.

#### POLAND

Poland, since regaining her national status, has ambitiously attempted the exploitation of her potash properties, secured from Austria, to supply the domestic market while participating in the foreign. The contest has witnessed her decline from a production of 352,000 tons of the mined salts in 1929 to 142,000 tons (equivalent to 23,000 tons  $K_2O$ ) in 1932. Confronted by the formidable competition of the nearby German producers, selling 110,000 tons of salts in Poland's home market (1929) while effectively contesting her foreign trade, a truce was declared whereby Poland secured her domestic market uninvalued and 4 percent of the foreign, only to find the home market shrunken to 82,000 tons of salts (13,000 tons  $K_2O$ ), with a foreign trade amounting to only 60,000 tons of salts. In recognition of the potentialities and the essential nature of the home market, in 1929 consuming the equivalent of 79,000 tons  $K_2O$ , price reductions amounting to 23 percent have been granted. To the agricultural depression has been ascribed the reason for the reduced consumption of potash in Poland. But it may be noted that this decline has followed the withdrawal of the highly effective German selling agency from that field, a fact that may have more significance than a mere coincidence, it being occasionally intimated that Germany sells her competitors' potash as well as her own. It would appear that until Poland has rehabilitated her domestic market her position in international trade will be one of little relative significance.

#### RUSSIA

Russia may be tentatively described as the unknown quantity in the international potash situation. While emphasis is being placed on supplying domestic needs estimated in very large tonnages, trial shipments have already appeared at foreign ports. Remarkable progress has been registered in the development of deposits, concededly enormous in extent and of very good quality, against odds that appear quite formidable—isolation with respect to markets and rigorous climatic conditions affecting transportation. With the elimination of the criterion of profits as conventionally figured by us, there is no basis left on which to estimate the potentialities of a potash industry exploited under the communistic system where nationalistic aspirations, not private profits, are the motivating impulses. Despite natural handicaps, two mines are in operation and a third is nearing completion, with a full complement of refining and power plants and other accessories. A railroad has been completed and two others projected and large-scale developments of the Kama River to provide water transportation have been advanced. There seems to be no occas-

sion to doubt that these deposits will be developed as the source of potash for Russian agriculture with an output of formidable proportions, but on what basis they are to be ascribed a future position of importance in the international trade in potash is not apparent at the present time.

#### PALESTINE

The Palestine potash project has received publicity possibly somewhat out of line with its importance as a contestant for international trade. Plans for the year contemplate an output of 10,000 tons of potash salts, of which 7,000 tons will be in the form of 80 percent muriate. Produced as a byproduct in the extraction of bromides from the Dead Sea brine, its output will be proportionately limited. Offerings have been made on the American market, but later withdrawn. German shipments to the Orient in 1932 aggregating 20,000 tons of high-grade salts, presumably passed through the Suez Canal, indicating a more logical market for the Dead Sea potash than the United States, a statement that applies likewise to the Spanish product.

Summarizing the potash activities of 1932, there is revealed a total world production of approximately 1,330,000 tons,  $K_2O$  basis, a recession from 2,000,000 tons produced in 1930. The 81 percent of this total, which represented the German-French contribution, is a decline from 91 percent, which was their share in the preceding year.

A recession of only 35 percent by which the world potash industry has declined in recent years is moderate when compared with the performance of other industries and reflects the substantial stability of the potash business. It has been subjected to a severe test and has proven its worth. The whole world is now giving thought to agricultural rehabilitation as the foundation on which to rebuild prosperity. There is no escape from fertilizers as an essential of scientifically constructed or reconstructed agriculture as an instrument for increasing both scope of activities and profits. Ample demonstrated on all major crops, although being applied in this country to only a too small percentage of the total, this principle is subject to enormous expansion, particularly so as we seem now to be breaking loose from some of our earlier inhibitions. National planning for land utilization, involving diversification with intensive methods, depends on soil fertility, its restoration and maintenance as its foundation. Fertilizers are destined to play an increasingly important role, thereby progressively expanding the market for potash from both existing and prospective sources.

[From the Oil, Paint, and Drug Reporter, Monday, Mar. 26, 1934]

#### POTASH IN INTERNATIONAL BARTER

In certain respects the Government program of international trade agreements resembles a gigantic plan of barter. International trade has always been regarded, theoretically at least, as essentially an exchange of goods. This theory falls down when confronted with the fact that certain nations have gained most of their prosperity from their export trade. Of course, one of the parties in every swapping of possessions usually comes out ahead in the actual value of the articles exchanged; although the other may have got something intangible which, to him, was more desirable. This factor of the intangible is a large one in the international swapping of goods. It is always the needier of the two parties that can be most benefited by the intangible gain, although it is not always that the results of the exchange are thus shared.

It would seem that certain advocates in this country of the reciprocal-trade program are not of the opinion that the United States should seek the tangible benefits in international exchanges of goods. This is a Nation rich in resources and in the products of industry. Its needs are relatively few. Theoretically, then, the intangible advantages of an exchange of goods are of little value to the United States in comparison with the usefulness of cash export markets. Nevertheless, the Director of the Bureau of Foreign and Domestic Commerce has said:

"Barring some unexpected development, our merchandise balance, in international trade, must sooner or later be readjusted by something like a half a billion dollars per year to create what might be described as a healthy condition in our international trade."

Exports of merchandise from the United States in 1933 exceeded imports by \$225,000,000. To make the \$500,000,000 readjustment in the international merchandise balance it would be necessary that this country import goods to the value of \$275,000,000 more than that of its exports. That may be good politics. It may be good theoretical economics, serving to offset the value of intangible or invisible exports which are of limited, if any, benefit, even in the actual balancing of international payments. But is it good business? There is something of value in the spending of money in travel abroad. There is little of value for the United States or for any substantial group of its people in international financing. Why go on a spending spree in foreign markets to bring about a theoretical balance of payments? Is not American industry entitled to make a net profit in international trade?

Some talk there is in certain quarters that Russia desires greatly to sell or trade potash into the United States. Russia is a nation rich in natural resources and becoming "well fixed" in terms of manufactures. Intangible advantages in an exchange of goods are not attractive to Russia. That nation wants cash, or its equivalent, credit—on long terms. Russia cannot sell potash, or trade it, in other countries and at the same time make any material progress in its plan of agricultural sufficiency. Available

data indicate that Russia will be able to produce from 3,000,000 to 5,000,000 tons of potash salts annually within 2 or 3 years. Other data from similar sources show that the Russian agricultural plan will require more than that annual supply of potash salts. The agricultural plan might be deferred if Russia should be able to trade its potash for cotton and grains, or should see a future advantage in building up credit by selling potash at a price below that now prevailing in the world markets. In either case, the future of Russia alone would be benefited.

Potash salts are now cheaper in the markets of the United States than they were just prior to the World War and doubtless will get still cheaper. The production of potash salts in the United States is a new, but rapidly growing, enterprise. It is a nationally essential enterprise. American farmers and their political friends should not forget the high prices of potash in the war years. They should not be ignorant of the fact that only by means of domestic production of potash salts can a recurrence of those high prices be avoided. Russian potash at a price however low would afford only a temporary advantage to American agriculture, the period of which would be limited by the desires of the Soviet with reference to its agricultural program. The American potash industry is not yet sufficient for domestic needs. Its growth should not be stunted or stopped to gain any temporary advantage in price. Reciprocal trade with Russia, or with any other country, to the extent that it may be at all practicable, must not be carried on at the cost of the life of an essential American industry.

#### RUSSIAN ECONOMIC NOTES

[From the Department of Commerce, Bureau of Foreign and Domestic Commerce, Mar. 15, 1934]

#### SOVIET POTASH—FOR THE COLLECTIVE AND STATE FARMS

PRAVDA, January 12, 1934.—The Soviet Union possesses the largest potash deposits in the world, and with the help of an army of workers, engineers, and technicians has constructed and put in operation a potash plant with first-class technical and chemical equipment. Potash is the most essential element for increasing the agricultural production of the country and for freeing Russia from dependence on potash chemicals of all kinds, such as Berthollet salts, potassic saltpeter, caustic potash, and others, for these can all be produced from Soviet potash salts.

The first potash mine was built with complete mechanical equipment, and is expected to turn out 4,500 tons a day, with a present daily production of 2,200 tons, to be increased soon to 3,000. The latter figure has already been reached, the production in December having been 62,000 tons, and for some days in that month as high as 3,000. A complete underground town is being built at a depth of 250 meters. There are 13 kilometers of tunnels and passages, with electrified railroad lines, cranes, scrapers, and other mechanical appliances. At this depth there is a station for the cars, and a mechanical workshop. Self-dumping cars discharge the salts into bunkers after being hauled to position by an endless chain. The miners' community lives and works underground, served by electric trains running in passages cut through the blue-white sylvinitic deposits.

The potash mines at Solikamsk are being worked by a whole series of different plants: The salts mined are ground in a crusher, then transferred for concentration to the chemical plant, which is constructed to handle 3,500 tons of salts a day, and to turn out 600 to 650 tons of 85-percent  $KCl$ .

At the present time the plant is treating 2,000 to 2,200 tons a day, the record for December being 48,500 tons.

For the potash workers 1933 was a year of energetic assimilation of new technique required. The young workers were afraid of the huge plants which they were expected to manage, finding that their school preparation was far from sufficient for practical running of the machines. Practice, however, has greatly increased the skill and productivity of the underground workers, and as the organization of labor improved, standards have been raised. The enthusiasm and increasing efficiency of the workers and engineers in the potash mines are a guarantee that this enterprise will be a model one.

Near the mines a new town has been constructed, in which 12,000 workers and their families live. There is a school with a 7-year course, day nurseries, dispensaries, a bathhouse, and shops; a club, kindergarten, hospital, and other buildings are under construction. There is still a shortage of dwelling space, however, and also of electric light. In 1933 large truck gardens were started, and vegetables produced locally took the place of those brought from outside.

Thirty kilometers from Solikamsk, near Beresniki, a second potash mine is being opened up, for production on the same scale as the first. This will be completed during the second 5-year plan. It is being built by Soviet engineers and workers without the benefit of foreign technical leadership and advice. The first shaft of the new mine has been driven, through the deep frozen surface layer, to the salt strata, the first of which is 4 meters thick at a depth of 245 meters, the salt here being of considerably higher quality than in the first mine.

At the first mine equipment is being installed for a carnallite-magnesium combine, one of the undertakings of the second 5-year plan, to produce light-weight metals. Experiments have shown it to be possible to produce magnesium, which will be turned out in quantity within the next year or two.

There was a time when Russia was entirely dependent on foreign countries for its potash salts, and wood ashes were the only domestic source of potash and were collected and saved for this

purpose. Now Soviet Russia possesses deposits several times larger than the Stassfurt, over an area estimated at 1,500 square kilometers.

These deposits are of the greatest interest to the peasants working the collective and State farms; it has been calculated that every ton of potash fertilizer adds 4 to 6 tons of sugar to sugar beets, 35 to 40 tons of tubers to potatoes, 83 tons of feed turnips, 24 tons of hay or perennial grass, 75 tons of cabbages, 10 dry tons of makhorka, etc. Experiments already made have demonstrated that this increase in products is readily possible. The facts should be brought to the attention of the machine-tractor stations and the collective farms.

[Extract from article in Vossische Zeitung, Berlin, Feb. 22, 1934]  
RUSSIAN POTASH ON THE WORLD MARKET COMPETITION TO GERMAN-FRENCH SYNDICATE

Moscow, February 8, 1934.—The first shipment of 450 tons potash salts from the potash plant at Solikamsk has found its way to the world market. The first soviet potash went from Amsterdam to Japan, which is of interest if one considers the present political aspect. Holland and Belgium are supposed to have great interests in the Russian export. A party from Denmark visited the mines on the Upper Kama last summer.

Shafts nos. 1 and 2 of the richest potash deposit in the world are now working. The deposit at Solikamsk has been estimated at 15,000,000,000 tons of pure  $K_2O$ . The deposit is only 200 to 250 meters below the surface. At present the mine can technically deliver 1,000,000 tons crude salt containing 20 percent pure salt. The concentration plant is likewise in full swing.

At Beresniki, 30 kilometers to the south, a further plant is under construction for the same output, and one shaft has already been constructed. The same geological structure prevails here as at Solikamsk. The two shafts at Solikamsk have been put down by German experts, who employed the method of freezing. At Beresniki the same method is to be used, but this work was done by the soviet engineers.

Production at Beresniki for 1935 is expected to be 1,500,000 tons, which quantity seems to be feasible. Output at the Solikamsk mine will likewise be increased to the same quantity. The output of 12,000,000 tons per year (approximately equal to German production in 1928-29) is expected to be reached at the end of the second 5-year plan. Production in 1933 was 600,000 tons. There are great transport difficulties to be overcome.

Potash will serve as a means of obtaining foreign exchange. The appearance of a further competitor on the world market becomes seriously for the German-French potash monopoly, the more so as other competitors (Spain, Dead Sea) are also coming forth with their product.

Other potash deposits have been discovered on the north coast of the Caspian Sea and Turkmenistan. These deposits are favorably situated for the cotton district of Central Asia. At present, however, the competition of Solikamsk and Beresniki is of importance.

[From the Chemical Industries, December 1933]

#### DEVELOPING SPANISH POTASH—OPERATION OF THE CATALANIAN CONCESSIONS

Amid the wide area of the potash deposits in Catalonia, Spain, the concession operated by the Potasas Ibericas S.A. is in the neighborhood of the town of Sallent, 45 miles from Barcelona, on the banks of the river Llobregat. The potash formation exists throughout the area covered by the concession, and the following information, gained when the first borings were made in 1930 and 1931, was confirmed during the sinking of the shafts and the operating of the potash deposits.

The depths at which the beds occur are comparatively high and vary from 820 to 1,300 feet. The upper part of the formation contains several seams of carnallite, at least two of which are from 7 to 15 feet thick and can be very easily mined. They contain an average percentage of 14.5 of  $K_2O$ . The lower part contains two seams of sylvinite, one of which is 13 feet thick and of an average percentage of 26 of  $K_2O$ . The other is thinner (5 feet) but exceptionally rich, containing 38 percent to 40 percent  $K_2O$ . This seam contains strata of pure sylvinite (56 percent  $K_2O$ ), which is easily separated by selective mining. The above seams are of such extent that, with a daily removal of 1,200 tons, production is assured for five centuries.

For the present the Potasas Ibericas Co. contemplates working only the sylvinite seams, which are the easiest to enrich and which should suffice for more than 100 years. They contain a very small proportion of impurities, and the chief seams show on analysis less than 1 percent of clay.

The sinking of no. 1 shaft began in July 1931 and was finished in July of the following year; it is 985 feet deep and 14½ feet in diameter, and is equipped with a 142-foot tippie of massive concrete construction and 800-horsepower electric winding gear. Elevation is carried out by cages carrying 5,000 pounds net weight, the installation guaranteeing the raising of 150 tons per hour. Preparations have been made for the future substitution of skip elevation, which would increase production to 300 tons per hour. No. 2 shaft is being sunk, and will be 1,100 feet deep.

Since operations were commenced in October 1932 more than 3 miles of galleries have been completed. From 12 to 16 stopes are being operated simultaneously, and this number can be easily increased.

At the pit head automatic equipment sends the potash salts into the grinding and grading plants, a concrete building, six stories high. Simple lay-out between grinding and grading permits of the production of the various qualities of potash salts efficiently graded.

The warehouse, parabolic in shape, is a large concrete building 97 feet wide, 65 feet high, and 400 feet long. On leaving the grading plant the potash salts are sent through an underground passage, and by means of an elevator to a conveyor operating the full length of the warehouse, where they are sorted according to test. This warehouse has a capacity of 25,000 tons, and a scraping device removes the stored potash from the warehouse and distributes it onto conveyors, whence it is tipped directly into railway wagons.

Actual mining began on October 12, 1932, i.e., 15 months after the ground had first been broken for the sinking of no. 1 shaft. Production, which started at 300 tons per day, reached 500 tons in December 1932, and now approximates to 1,000 tons per day.

During the first period Potasas Ibericas S.A., profiting by the high average content of  $K_2O$  in the natural product, was able to produce all the commercial qualities by sorting without resorting to any special treatment of the sylvinite. In order, however, to increase its production of high-grade salts, the company is at present building a refinery equipped to treat 50 tons of ore per hour. This will be in operation early in August 1934. A plant for mixing and bagging is being constructed to complete the equipment.

The second shaft, which is also 14½ feet in diameter, will be finished by the beginning of December next. It will be used primarily for ventilation purposes and to facilitate the lowering of timber and other materials, thus relieving no. 1 shaft and enabling increased production to be carried out in the latter.

The installation of Potasas Ibericas S.A. has been designed with great care and has many technical novelties. The concrete buildings, especially the tippie and the warehouse, are of bold and original conception and are wisely designed.

The mine is connected by a private siding with the railway leading to the port of Barcelona. Negotiations with the authorities, now pending will give the company a private wharf on the dock of Morrot. This dock, situated at the entrance of the port, has free access, and, as its depth of water is 31½ feet, it will accommodate the largest steamers. As soon as the concession is granted, Potasas Ibericas will build on this wharf a warehouse equipped with the latest modern improvements, permitting the handling of potash and the loading of steamers in minimum time. At present the company uses the services of an important stevedoring organization in Barcelona, which provides several sheds at the Expana wharf. The capacity of these warehouses is 10,000 tons. (The Fertilizer Feeding Stuffs and Farm Supplies Journal, London, vol. xviii, no. 22.)

[From The American Fertilizer, vol. 80, no. 4, Feb. 24, 1934]

#### POTASH PRODUCTION

By Potasas Ibericas, S.A.

Potasas Ibericas, S.A., operates mining concessions situated in the potash field of Catalonia (Spain), 45 miles from Barcelona, in the neighborhood of the town of Sallent. A series of borings made in 1930 and 1931 gave information which was confirmed during the sinking of the shafts and during later operations.

The potassic formation exists throughout the total area of the concession. The depth at which the beds occur varies from 820 feet to 1,300 feet. The formation is as follows:

(a) The upper part contains several seams of carnallite. At least two of these are from 7 to 15 feet thick and can be very easily mined. They contain an average of 14.5 percent  $K_2O$ .

(b) The lower part contains two seams of sylvinite, one of which has an average content of 26 percent  $K_2O$  and is 13 feet thick. The other is thinner (5 feet) but exceptionally rich, testing 38 percent to 40 percent  $K_2O$ . This seam contains strata of pure sylvinite, 56 percent  $K_2O$ , which is easy to separate by selective mining.

The above seams represent such reserves that with a daily output of 1,200 tons production is assured for 5 centuries. For the present Potasas Ibericas, S.A., contemplates working only the sylvinite seams, the sylvinite being a richer and easier form of potash salt to enrich. These reserves will suffice for more than 100 years.

#### PRODUCTION FACILITIES

The sinking of no. 1 shaft was begun in July 1931 and was finished in July 1932. The shaft is 985 feet deep and 14½ feet in diameter. It is equipped with a 142-foot tippie of massive concrete construction and an 800-horsepower electric winding gear. No. 2 shaft is now being sunk and will be 1,100 feet deep.

The Potasas Ibericas, S.A., concessions embrace a potash deposit of regular formation composed of thick pure layers and mining is thus particularly easy.

Rational utilization of efficient mechanical equipment, electric cutters and rock drills, scrapers, etc., the lighting of galleries and stopes by electric projectors permit operation and mine transportation under the best conditions.

At the pit head automatic equipment carries the potash salts into the grinding and grading plant, a concrete building, six stories high. A simple layout from the grinding to the grading permits the various qualities of potash salts to be efficiently graded.

The warehouse, parabolic in form, is a large concrete building, 97 feet wide, 65 feet high, 400 feet long, with a capacity of 25,000

tons. A scraping device removes the stored potash from the warehouse and distributes it on conveyors that unload direct into railroad cars.

#### MINING PROGRESS

Mining began on October 12, 1932, only 15 months after the first ground had been broken for the sinking of no. 1 shaft. Production, which started at 300 tons per day, reached 500 tons per day in December 1932 and now approximates to 1,000 tons per day. The development of the underground work and management of long mechanically equipped stopes permit easy and rapid increase of production.

During the first period Potasas Ibericas, S.A. profiting by the high average content of  $K_2O$  in its natural ore, could produce all the commercial qualities by sorting, without resorting to any special treatment of the sylvinites. In order, however, to improve its mining conditions and increase its production of high-grade salts, the company is at present building a refinery equipped to treat 50 tons of ore per hour. The refinery will be in operation early in July 1934. A plant for mixing and bagging is being constructed to complete the equipment.

A second shaft, 14½ feet in diameter, was sunk, being finished by December 1933. It will be used primarily for ventilation purposes and to facilitate lowering timber and materials. It thus relieves no. 1 shaft and will enable increased production there.

The installation of Potasas Ibericas has been designed with great care and discloses unusual technical innovation. The concrete buildings, in particular, and the tipples and the warehouse are of bold and original conception and are judiciously planned. United States industry has contributed materially to the installation in furnishing various items of equipment.

Although the town of Sallent and the neighborhood of Manresa, Sempedor, San Fructuoso, Balsareny, Berga, etc., provide good facilities for housing employees and workmen, Potasas Ibericas has undertaken the construction of a garden city, built according to the Catalanian style and customs, where the employees are housed. The buildings are located round a large mansion of ancient construction, surrounded by parks. A garden is provided for every tenant adjacent to his dwelling.

#### SHIPPING ARRANGEMENTS

The mine is connected by a private siding with the railway leading to the port of Barcelona. Negotiations with the authorities, now pending, will give Potasas Ibericas, S.A., a private wharf at the entrance of the port, with free access and a depth of water of 31½ feet, which will accommodate the largest steamers.

As soon as the concession is granted Potasas Ibericas will build on this wharf a warehouse equipped with the latest modern improvements, permitting the handling of potash and the loading of steamers in minimum time. At present Potasas Ibericas, S.A., use the services of an important stevedoring organization in Barcelona, which provides several sheds at the Espana Wharf.

Potasas Ibericas has organized a transportation department to facilitate a regular supply of potash for the various stocks which Potasas Ibericas maintains for various countries.

To give service to American buyers Potasas Ibericas, S.A., is accumulating at several ports on the Atlantic coast stocks of the various qualities of potash salts used in the United States and is making shipments from Barcelona to the United States on the United States ships.

The company is represented in the United States by the International Selling Corporation, with offices at 70 Pine Street, New York City. By means of the efficient warehouse service and the frequent sailings between Barcelona and the United States ports, orders can be filled promptly.

The potash salts supplied by Potasas Ibericas since operations commenced in 1932 have met with universally favorable reception on account of the regular percentage and good friable condition. Potash which has been stored for more than 6 months in a country with high humidity was found to be entirely free running on arrival at its ultimate destination.

#### Potash exports from Spain, 1933

Month	Total exports			Exports to United States of America				
	Metric tons	Gold pesos	Gold pesos per 1,000 kilos	Metric tons	Gold pesos	Gold pesos per 1,000 kilos	United States of America gold dollars per 2,000 pounds	R/E Ptd. = \$1 (parity)
January.....	11,769.0	1,547,267	131.46	2,528.7	262,238	104.10	\$18.22	5.181
February.....	20,280.8	1,053,728	52.45	244.0	190,419	780.40	19.42	5.181
March.....	13,124.8	1,067,562	81.34	2,063.2	65,629	31.81	19.42	5.181
April.....	11,514.0	1,939,880	168.48	2,468.9	271,780	110.08	19.27	5.181
May.....	7,988.9	548,970	68.72					
June.....	1,305.5	132,937	101.82					
July.....	3,497.5	524,614	149.99	1,963.2	295,374	149.99	26.26	5.181
August.....	23,880.6	1,786,789	74.82	4,168.0	561,544	134.72	23.58	5.181
September.....	33,553.1	2,357,498	70.26	7,694.0	552,796	71.84	12.58	5.181
October.....	14,007.3	1,145,734	81.79	4,271.4	640,709	150.00	26.26	5.181
November.....	18,734.3	1,019,295	54.40	10,597.1	458,268	43.05	7.53	5.181
December.....	38,999.7	6,762,039	173.38	15,850.0	1,881,380	118.69	20.78	5.181
Total.....	198,655.6	19,896,316	100.15	51,854.5	5,179,137	99.87	17.48	5.181

#### SPANISH IMPORTS AND EXPORTS OF POTASH DURING 1933

Potassium sulphate and chloride and potassium compounds employed in fertilizers, such as salts of Stassfurt, of Alsace, etc.

Country	Imports		Exports	
	Metric tons	Value, gold pesos	Metric tons	Value, gold pesos
Germany.....	1,921.9	387,233	75.0	11,242
Belgium.....	5.0	742	11,470.1	1,190,294
United States.....			51,854.5	5,179,137
France.....	613.3	131,037	3,582.7	535,389
Great Britain.....			5,561.0	853,958
Holland.....	.2	303	83,883.4	5,962,232
Italy.....			3,668.6	678,253
Japan.....			14,427.2	1,978,290
Norway.....			7,145.1	883,991
Sweden.....			7,580.4	1,139,418
Other countries.....			9,409.6	1,464,107
Total, 1933.....	2,540.4	519,315	198,655.6	19,896,316
Total, 1932.....	7,652.4	1,140,278	65,989.1	10,148,603
Total, 1931.....	8,310.8	1,304,739	25,648.7	3,745,516

#### Statistics—Exports of potash from Barcelona during January and February 1934

	Kilos <sup>1</sup>
January:	
United States.....	17,141,089
Holland.....	8,970,435
Italy.....	493,000
Sweden.....	2,700,000
February:	
United States.....	17,692,811
Holland.....	13,643,440
Italy.....	897,370
Sweden.....	4,982,850
England.....	629,880
Denmark.....	4,150,000
Belgium.....	3,692,558

[From World Trade Notes on Chemicals and Allied Products, vol. 8, no. 9, of Feb. 24, 1934, by Department of Commerce, Bureau of Foreign and Domestic Commerce.]

#### Potash imports into the United States

(The chief sources of United States imports of potash are Germany, France, and Spain. The following table, compiled from official import records for 1933, shows substantial quantities from Belgium and Netherlands, such shipments in general covering material which originated in France or Germany.)

	Potassium chloride	Kainite, 14 per cent	Kainite, 20 per cent	Manure salts, 30 per cent	Potassium sulphate	Potassium magnesium sulphate	Potassium nitrate, crude	Other potash
	Long tons	Long tons	Long tons	Long tons	Long tons	Long tons	Long tons	Long tons
Belgium.....	8,831	2,531	1,851	3,542	2,945		59	
Czechoslovakia.....	48				37			
France.....	94	1,246	1,257	2,744	120		160	
Germany.....	50,149	18,685	23,644	61,020	30,850	13,469	10,850	
Netherlands.....	15,755	10,928	24,613	68,470	10,118	223		
Soviet Russia.....	110							
Spain.....	25,827	9,741	7,493	16,121	250			
United Kingdom.....	200				495	98	89	
Canada.....	1,760			1,218	58		19	272
Chile.....							14,387	
British India.....							29	
Japan.....					662			177
Palestine.....	2,714							
Total, 1933.....	105,538	43,131	58,853	113,121	45,535	13,799	25,593	440
Total, 1932.....	78,358	49,374	100,927	23,071	(1)		17,067	351
Total, 1931.....	130,539	55,329	179,428	66,842	(1)		15,509	488
Total, 1930.....	273,256	112,013	361,798	88,257	(1)		12,799	547
Total, 1929.....	230,906	75,930	390,828	79,510	(1)		12,800	675

<sup>1</sup> Not specially classified.

NOTE.—A strictly accurate comparison of the 1933 imports with those of earlier years cannot be made because of the changes in classification which became effective for 1933.

#### THE POTASH INDUSTRY

Mr. HATCH. Mr. President, in the remarks made by me on April 14 concerning the development of potash in New Mexico, I sought to place before the Senate available information concerning this very important new industry. Since

<sup>1</sup> Importations to the United States expressed in short tons are:

	Short tons
January.....	18,855
February.....	19,462
Total.....	38,317

that time, I have obtained some additional information which I believe will be helpful in a study of the potash situation. Therefore, supplementing those remarks, I desire to have published in the RECORD the following statements and articles which have been called to my attention:

First. A statement just issued by the Bureau of Mines on the production of potash during 1933. This was issued on April 20 by the Mineral Statistics Division of the Bureau.

Second. An editorial entitled "Bargaining Tariffs", in which potash is mentioned, from the March 1934 issue of the Mining Congress Journal, a monthly publication of the American Mining Congress.

Third. Special Circular No. 382 of the Chemical Division of the Bureau of Foreign and Domestic Commerce of the United States Department of Commerce. This circular is entitled "Spanish Potash in 1933", and is written by Consul General Claude I. Dawson, stationed at Barcelona. It is the most thorough statement regarding Spanish potash, which at the present time is the most dangerous competing commodity that has yet appeared.

Fourth. An article from the Oil and Colour Trades Journal of March 2, 1934, telling of the conference between the Franco-German cartel and the producers in Spain. From this article, it would seem that the owners of the Spanish mines have now been induced to operate in conjunction with the Franco-German Potash Trust.

If this is true, it would be very easy for the Franco-German and Spanish operators to get together and divide the world potash market, including America. This article shows that the American potash producers can encounter a very strong organization of foreign operators whose apparent design would be to keep as much of the American market as possible. With cheap wages and governmental subsidies, such an organization would be in a position to work great injury to the potash industry in America.

In this connection I would also mention that in my former remarks, in answer to an inquiry propounded by the Senator from Louisiana, it was indicated that the potash industry in America was at the present time in bad condition. I desire now to explain that I am informed the potash producers in America in 1933 had a profitable year, and if dumping is not permitted, 1934 should likewise be profitable. The industry does not fear legitimate competition, but it is my information there is grave fear of what may result to the potash industry of America if wholesale dumping of potash from foreign countries is permitted in the United States.

It has been suggested that information concerning the uses of potash would be interesting in this discussion. Time does not permit any extended remarks in this connection, but I will suggest that a report was made by Dr. Oswald Schreiner on "potash hunger" shortly after the war. It is very interesting, and among other things says that the effect of the shortage of potash during the war years was shown in a number of agricultural crops. The crops studied were the potato and cotton crops, but the foliage reactions were also shown in crops such as tobacco, sweetpotatoes, buckwheat, beans, and a number of other crops. In the pamphlet on Potash Development in southeastern New Mexico, by H. I. Smith, it is said:

The value of potash as a fertilizer is not alone in the increase in crop production, but in the increase in secondary products, such as meat, butter, and sugar, and the better quality and consequent increased sale value of tobacco, vegetables, and other products from properly fertilized lands. Increased use of potash therefore depends upon the recognition of its value as measured by increased and benefited crops.

One of the companies operating in my State recently prepared a statement concerning the uses of potash. In order that the information therein contained may be available, I ask unanimous consent to have it printed in the RECORD as part of these remarks.

Inasmuch as it is desired to print some copies of the comments made by me the other day, I ask consent to make some minor changes in my original remarks. I also ask unanimous consent that the articles mentioned today be printed in the RECORD immediately following the exhibits in my remarks of April 14, and that the remarks made today be printed in

the permanent edition of the RECORD as a part of my comments on April 14.

The PRESIDING OFFICER (Mr. OVERTON in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. HATCH. Finally, I should like to say that any statement I may have made about the departments in Washington not being conversant with the potash industry in America should not be construed as referring to the Geological Survey, the Bureau of Mines, or the Department of the Interior, and especially the General Land Office. These departments have all been keenly alive to the development of potash in the United States and are thoroughly conversant today with all matters connected with the industry. These departments have been very helpful in assembling the information used by me. Mrs. Funk, of the General Land Office, has been very gracious in assisting me in getting information concerning the potash industry. Being greatly interested in New Mexico, she also is very much interested in everything pertaining to potash.

It is my desire that the Members of Congress and all the officials of our Government may become familiar with the development of the potash industry in New Mexico. I am sure the study will be helpful and interesting.

I ask to have printed in the RECORD the data mentioned by me in opening my remarks.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[Mineral market reports, no. M.M.S. 274]

DEPARTMENT OF COMMERCE,  
UNITED STATES BUREAU OF MINES,  
April 20, 1934

Scott Turner, Director

STATISTICAL AND ECONOMIC SURVEYS, MINERAL STATISTICS  
DIVISION

#### POTASH INDUSTRY IN 1933—ADVANCE FINAL SUMMARY

To supply the mineral industry promptly with data on potash production and markets during the past year, the following information is furnished by the United States Bureau of Mines.

Potash produced in the United States in 1933 amounted to 333,110 short tons of potassium salts, equivalent to 143,378 short tons of potash ( $K_2O$ ), an increase of 133 percent in gross weight and of 131 percent in  $K_2O$  content over 1932 (143,120 tons gross weight, and 61,990 tons  $K_2O$ ).

The sales of 325,481 tons of potash salts with a potash content of 139,067 tons in 1933, were 2 and 3 percent, respectively, less than the production, and increased 168 percent for potash salts and 150 percent for  $K_2O$  content over 1932 (121,390 tons salts, 55,620 tons  $K_2O$ ). The value of the potash salts sold was \$5,296,798, an increase of 152 percent over 1932 (\$2,102,590). The average unit value was \$16.27 in 1933, compared with \$17.32 in 1932. About 47,000 tons of potassium salts with an available content of 21,000 tons of  $K_2O$  remained in producers' stocks on December 31, 1933.

Increased output of crude and refined salts at Carlsbad, N.Mex., accounted for much of the large increase of production and marked the second year of shipments from this locality. The other sources of potash salts were salines from Seales Lake at Trona, Calif., molasses distillery waste at Baltimore, Md., and dust from cement kilns near Hagerstown, Md. Small quantities of alunite were shipped from Marysvale, Utah, chiefly for experimental use as fertilizer material. The available potash ( $K_2O$ ) content of the salts sold in 1933 ranged from 23 percent to 62.5 percent.

The potash salts imported for consumption into the United States in 1933, according to the Bureau of Foreign and Domestic Commerce, amounted to 479,430 short tons, with an estimated equivalent of 165,124 short tons of potash. This represented an increase of 45 percent in gross weight over the imports for 1932 (330,964 tons). Eighty-nine percent of the gross imports were used chiefly in fertilizers, and this product—425,571 short tons ( $K_2O$  equivalent approximately 142,360 short tons), valued at \$8,351,428—increased 48 percent in gross weight and 46 percent in value over 1932 (287,929 tons gross weight, 96,170 tons approximate equivalent in  $K_2O$ , valued at \$5,711,347).

[From the Mining Congress Journal, March 1934]

#### BARGAINING TARIFFS

There has been some uncertainty in the minds of industry as to just how far the President would go when it came to revision of tariffs. After his message to Congress on March 2, little of speculation remains. He asks authority to vary tariff rates in the negotiation of reciprocal trade treaties and intimates that there are industries in this country lacking proper economic base for continued existence. The authority is requested for a 3-year

period and the bill (immediately introduced) provides for a 50-percent variance in existing tariffs and that no commodities will be added to or taken from the free list.

Again we ask: What industries are to be sacrificed?

The mining industry in many of its units is utterly dependent upon protection for its existence. Among the base industries now protected are lead, zinc, tungsten, quicksilver, potash. Potash for instance, is one of our youngest industries and already is faced with the Russian menace for its market. The Government has appropriated \$500,000 for potash exploration and since 1928 has been developing an industry. In 1933 and 1934 the royalties and taxes paid into the Federal Treasury for this industry will return this appropriation. Are we to permit foreign producers to wreck this highly strategic industry?

Certainly in involving the products of the mining industry in bargaining tariffs, the President must give consideration to national emergency industries and not forget the peasant and coolie labor which is the competition of these industries. Unless a lot of common sense is utilized, mine products are in jeopardy of sacrifice to the greedy agricultural group. It is high time that mining men made themselves heard, felt, and seen.

DEPARTMENT OF COMMERCE,  
BUREAU OF FOREIGN AND DOMESTIC COMMERCE,  
Washington, April 12, 1934.

Special circular no. 382—Chemical Division

SPANISH POTASH IN 1933

Consul General Claude I. Dawson, Barcelona

Spain has assumed a prominent position in the world potash trade. Whereas in 1929 its exports were equivalent to only 2 percent of the bulk tonnage exported by Germany, the subsequent steady rise for 4 years in Spanish trade, concurrent with a decline in German export shipments, changed the ratio from 50 to 1 to 4 to 1.

#### PROSPECTING DEVELOPMENTS—CONCESSIONS

Potash was discovered in Spain during 1912 as a result of exploring the extent of the rock-salt deposits of Cardona in the mine Rumanie in the district of Suria. A shaft 70 meters deep was sunk and a gallery cut 30 meters into the deposit. Bore holes were also put down by the owners of the concession, Senors Macary and Viader, who at the same time increased their registered holding to some 15,000 hectares.

As soon as the discovery became known a German organization entered the field and by the close of 1913 had applied for concessions covering 80,000 hectares, extending in a wide strip some 70 kilometers long from near Vich, in the Province of Barcelona, into the Province of Lerida, near Calaf.

The excitement continued until during 1914; the Spanish Government decreed, on October 1, that no new concessions should be granted until the deposit had been more carefully explored under the auspices of the Instituto Geologico.

The boring of the Sociedad Macary y Viader continued, and three other recognized concessionaires were active in investigating their holdings. The most active of these was La Fodina, which concentrated its drilling near Boxadors and near Senus.

By this time it had become evident that the deposits were of sufficient extent and quality to assure Spain's independence as far as its potash requirements were concerned.

American and German interests investigated the field but took no action, partly because of the outbreak of the war. In spite of this obstacle the Solvay interests succeeded in acquiring the concession of the Sociedad Macary y Viader and has since that time been the dominating company in Spain. Other companies, notably the La Fodina and the Industria y Comercio, continued work during 1915 putting down shafts, but without preliminary bore-hole reconnaissance.

The work of the Solvay Co. continued during 1916, when it spent 1,500,000 pesetas, and preparations to spend 40,000,000 more made. The war caused the suspension of all activity during 1917 except that of the Solvay Co. at Suria, and the investigations in progress at Cardona. The year 1918 saw the allotment of 800,000 pesetas for the completion of the investigations of the Instituto Geologico. Solvay also continued its bore holes to a depth of 1,000 meters, and began its first permanent shaft as well as projected its railway from Manresa. This railway was completed in 1919.

In 1920, the company Minas de Potasa de Suria, S.A., was organized to acquire from the Solvay Co. its Suria interests. The construction of buildings and plant was prosecuted actively, and late in the year the shaft finally reached the ore body.

Of the other companies, La Sociedad Fodina, S.A., and La Sociedad La Minera were still in existence, but the only company actively at work was the Sociedad General de Industria y Comercio. Its mine at Cardona had offered great problems because of the influx of water, but these were finally overcome. This mine, together with the Minas de Potasa de Suria, S.A., were the only ones to actively survive the post-war depression. It was not until 1929 that the Potasas Ibericas, S.A., financed by French interests, secured a concession in the vicinity of Sallent. Its actual production, however, did not begin until 1932.

During the period immediately prior to the depression, American interests again entered the field but abandoned their operations during 1930-31.

The companies La Fodina, S.A., renewed the investigation of its mine Alpha, near San Mateo de Bages; and La Minera, S.A., did the same with its mine Sallent, near Balsareny and Sallent. These

operations were, however, suspended as the result of the depression. La Minera, S.A., still maintains a nominal office at the residence of its president in Barcelona.

The mines at present in operation are those of the Minas de Potasa de Suria, S.A., those of the Sociedad General de Industria y Comercio, which is now controlled by the Sociedad Union Espanola de Explosivos, and those of the Potasas Ibericas, S.A. Sixty-three other mines have been operated at various times. Of these, 42 are in the Barcelona district and 15 in the Lerida district.

#### FEATURES OF THE DEPOSITS

The Spanish potash deposits are located chiefly in the Province of Barcelona, although extensions of the potash zone extend into the adjacent Province of Lerida. The general belt extends from near Vich southwest to the Lerida border, a distance of about 70 kilometers. The breadth of the zone is approximately 40 kilometers. Outcrops of potash minerals exist, but none of these are of importance and the deposits as a whole lie beneath an overburden of marl and sandstone, and in some cases rock salt. The potash deposits are irregular in shape. In some cases they are in strata 70 to 80 meters thick, but in others they have been proved by bore holes to a depth of 1,000 meters. The potash is usually associated with rock salt.

The predominating potash salts are carnallite and sylvinite, which in most of the deposits occurs in approximately equal quantities. In addition, small amounts of kainite are also found.

#### MINES IN OPERATION DURING 1933

Minas de Potasa de Suria, S.A., is the oldest and the largest of the producing mines. Its mine is located at Suria, to which the company constructed a railway from Manresa and is reported to have invested 20,000,000 pesetas in equipment, housing, etc. Its shaft is now down about 300 meters, and its deposit has been proved by bore holes to a depth of 1,500 meters. It is now producing at the rate of approximately 150,000 tons of carnallite and sylvinite per annum. Its mine average of  $K_2O$  in 1932 was 10 percent. It is exporting only carnallite and keeps in reserve approximately 35,000 tons for use in Spain under the terms of its concession. The sylvinite in this mine is about equal in quantity to carnallite but it is being stored, because, it is stated, the potassium content is so much above the requirements for normal potash salts that sales would be considered uneconomical without payment of a premium for the higher-grade salts. Recently strikes have interfered with the operation of this mine, and at present prices the management insists that the margin of profit is negligible. Its refinery produces important quantities of potassium chloride and potassium sulphate.

This company is still controlled to the extent of approximately 90 percent of its capital by the Belgian Solvay interests. It does all its selling through the Potasas Reunidas, S.A., Campoamor 20, Madrid, which is in turn controlled by the N. V. Potash Export Maatschappij, of Amsterdam, Netherlands.

Sociedad Industria, Comercio y Minería, was organized in 1932 to assume the operation of the mine at Cardona belonging to the Union Espanola de Explosivos. It should not be confused with the older and now defunct company the Sociedad General de Industria y Comercio. The new company is merely a subsidiary of the Union Espanola de Explosivos.

The mine of this company is located near Cardona. The salts as mined in 1932 had an average  $K_2O$  content of 16.5 percent. It exports as a crude mineral the sylvinite, which in its mine contains only 20-22 percent  $K_2O$ . The carnallite runs only about 12 percent and is not suitable therefore for export. This company also possesses a refinery which produces muriate of potash analyzing from 40 to 62.7 percent  $K_2O$  and sulphate of potash. The annual production at present is about 80,000 tons of sylvinite.

Potasas Ibericas, S.A. was organized in Spain in 1929 to develop a deposit near Sallent. The control of the company is French, it being a subsidiary of Minería y Metaux, of Paris. This company is at present the largest shipper of Spanish potash to the United States. Its original capital (2,000,000 pesetas) was increased in 1931 to 10,000,000, and in July 1932 to 13,250,000 pesetas.

This company is as yet not in possession of a refinery and does not attempt to use its carnallite, which runs about 12 percent  $K_2O$ . Its mine average of  $K_2O$  in 1932 was 18 percent. Nearly all of the production of 100,000 tons annually is exported, chiefly to the United States. The exceptionally high-grade deposits has made it possible to deliver salts from 15 to 50 percent  $K_2O$  without treatment other than sorting and crushing. A refinery with a capacity of 50 tons of ore hourly is expected to be in operation during July 1934.

#### PRODUCTION—HOME CONSUMPTION

Spanish potash production and consumption for the 3 years ended 1932 are shown in the following table:

[In metric tons]

	Production		Sales, $K_2O$ content	Apparent Spanish consumption ( $K_2O$ )		
	Commercial salts	$K_2O$ content		Domestic	Imports	Total
1930.....	286,436	28,039	26,127	15,175	12,323	27,498
1931.....	250,629	28,116	30,299	11,220	8,346	19,566
1932.....	409,888	54,811	52,717	14,944	8,889	23,833

Most of the domestic consumption is for fertilizer, and both the Union Espanola de Explosivos and the Minas de Suria produce a range of fertilizers in which potash is an important constituent. The Minas de Suria are bound by their concession to provide for the domestic potash needs of Spain before making any provision for export, and regularly reserve 35,000 tons for this purpose.

Both the sulphate and the chloride are used in fertilizer preparations, but the sulphate is still almost entirely imported, although the Union Espanola de Explosivos is producing some. Potasas Ibericas, S.A., states that it is exporting virtually its entire output.

#### UPWARD TREND OF EXPORTS

Exports, which had averaged less than 25,000 tons annually during 1929-1931, rose to 66,000 tons in 1932, and almost 200,000 tons in 1933. The sharp upward trend was due largely to the entrance of Potasas Ibericas in world trade.

#### Exports of potash salts from Spain, 1928-33

[In metric tons]

Exported to—	1928	1929	1930	1931	1932	1933
United States.....	9,980	21,591	18,372	22,438	10,635	51,855
Sweden.....					23,270	7,580
United Kingdom.....	1,013	3,002	2,540	1,459	8,855	5,551
Japan.....	1,518				5,172	14,427
Netherlands.....			260	1,219	3,900	83,883
Denmark.....					4,400	
Italy.....	2,557				2,331	3,059
Norway.....					3,680	7,143
Germany.....	118	38		300	1,245	75
Colombia.....					1,220	
Chile.....					460	
Belgium.....	70				752	11,470
China.....				198		
Argentina.....			1,353			
Philippines.....	1,006					
France.....		65				3,583
Other countries.....	46	84	10	5	129	9,410
Total quantity.....	16,258	24,780	22,536	25,649	65,989	198,656
Total value (thousands of gold pesetas).....	3,089	5,204	4,733	3,747	10,149	19,896

The decline in values is due primarily to the negotiating of the 1933 contracts at the low level of the depression in general commodity prices that characterized the close of 1932. The mines reported that profits are impossible at these levels, as labor and other costs are rising. An increase in values per unit is anticipated for 1934.

It will be seen from the statistics that notable changes have taken place during the past few years in the relative purchases of the different countries. The United States has consistently continued to be among the most important buyers, but in 1932 lost first place to Sweden and during 1933 to Netherlands. The steadily mounting purchases of Japan are also recorded.

[From the Oil and Colour Trades Journal (British), Mar. 2, 1934]

#### SPAIN TO JOIN FRANCO-GERMAN POTASH AGREEMENT?

Reuters Trade Service reports that negotiations have opened at Nice between representatives of the Franco-German Potash Entente and representatives of the Spanish potash producers for the conclusion of an agreement between the two parties. Up to the present, continues the news agency, only one of the Spanish potash mines has joined the Franco-German organization, and this company only owns something over a fifth of the 112,000 hectares for which concessions have been granted in Spain. Moreover, at present no grouping of the Spanish mines has taken place, which will tend to render negotiations difficult. Not until 1925 was the exploitations of the Catalan potash deposits seriously taken in hand. The stratum now being worked consists, at a depth varying from 275 to 450 meters, of several layers of carnallite with an average pure potash content of 14.5 percent, but principally of layers of sylvinite (20 to 24 percent pure potash, but reaching in some parts 40 percent, with a thickness of 1 to 4 meters). It is probably not an exaggeration to estimate the production capacity of the Spanish potash mines at nearly 200,000 tons of pure potash a year for the 32,578 hectares already being worked on the concessions granted. In 1933 the output was 95,000 tons, against 65,000 for 1932. The following tables give the output of pure potash ( $K_2O$ ) for the principal countries:

	1933	1932
	Tons	Tons
Germany.....	900,000	847,000
France.....	320,000	306,000
United States.....	110,000	55,000
Spain.....	95,000	65,000
Poland.....	30,000	33,000
Other countries (Palestine, Russia).....	55,000	7,000
Total.....	1,490,000	1,314,000

It will be remembered that the Polish potash mines joined the Franco-German Entente in March 1932. By this agreement the Polish mines obtained exclusive rights for the Polish home market, as far as their production was able to meet requirements, and

a quota of 4 percent in sales by members of the entente in countries other than reserved countries. It remains to be seen whether it will be as easy to secure the participation of the Spanish mines.

#### USES OF POTASH

Without an adequate supply of potash in American soils we could not have:

Thin-skinned, heavy, and juicy oranges and grapefruit or sweet cantelopes for breakfast.

Meaty, highly colored tomatoes, crisp lettuce or celery, or firm, sweet watermelons for lunch.

Tender, not stringy, root crops and other vegetables of high quality for dinner.

An evening smoke of mild, free-burning tobacco.

A lawn in summer green with healthy clover.

Two years after our importation of potash was stopped by the World War symptoms of potash hunger appeared generally in potato fields. In that short time the available potash supply was so depleted that yields and the percentage of marketable potatoes were greatly reduced. The quality of seed potato stocks was greatly impaired, with even greater indirect damage.

Sweetpotatoes that formerly grew smooth and chunky became long and stringy and rotted in storage.

Diseases caused by lack of sufficient potash took a heavy toll in tobacco and cotton fields, lowering the market grades and commercial value.

The vigor and health of perishable vegetables and fruits from the commercial producing areas were so reduced that losses in shipping were very serious.

This experience showed the depleted condition of our soils. At present farm crops are removing seven times as much potash as is being restored.

Potash is to plant life what transportation is to industry—the vital force. The plant takes in raw materials, minerals and water from the soil. In the leaves, the factory of the plant, with the energy from sunlight and by a process not duplicated by man, these raw materials are converted into food necessary for all human and animal life.

Not only is potash absolutely essential in this process, but the food substances made in the leaves could not be transported, or more properly translocated, without potash to properly make the fruit of the plant, whether it is the kernel of grain, the root or tuber in the ground, the fruit of the vine or tree, or the cotton in the boll.

With insufficient potash some results are chaffy corn, shriveled grain, lower market grades; low yields, off-grade potatoes; weak seed stock; long stringy sweetpotatoes that keep poorly in storage; thin-walled, rough, poorly colored tomatoes; root crops, poorly shaped and tasteless and stringy; citrus fruits, thick skinned and tasteless and juiceless.

The present need is not for greater production of farm crops but for higher quality, more for the consumers' dollars and more dollars for fewer acres for the farmer. Potash is the quality or health-giving plant-food element. Vigor, health, and the full utilization of the other plant-food elements is the part potash has to play.

It was only 2 years after the importation of potash was stopped by the World War that signs of potash starvation appeared in the large potato-growing districts. Rust, a potash-starvation disease, caused widespread damage to cotton. Tobacco diseases appeared in the fields, driving home the lesson how depleted the older farming soils were for potash.

The Indians showed the Pilgrims how to use wood ashes for potash. The wood-ash piles of the forests cleared by our pioneer forefathers once supplied the world with potash. The forests are gone; the soils are fast becoming depleted of their natural fertility. The discovery of potash in the United States means that we can be independent in the matter of our food supply.

Potash or potassium is an essential element in the production of chemicals that touch our everyday life, for—

Potassium alum is used for photography, the manufacture of paper, water purification, and in dyeing.

Potassium bromide is very essential in the manufacture of photographic film and papers; also used in medicine.

Potassium chlorate is essential to the making of all matches and fireworks, but especially safety matches.

Potassium carbonate, called pearl ash, is used in making glass and soaps.

Potassium ferricyanide makes possible the use of blueprints.

Potassium nitrate, or saltpeter, makes up 75 percent of the ingredients used in making gunpowder, used for blasting and mining purposes, and gives the red color to corn beef and ham.

Potassium permanganate has an extensive use as an oxidizing agent in laboratories and in the industries, and is widely used for disinfecting purposes.

Potassium perchlorate is used in making Javel Water, a household necessity for removal of stains.

Potassium iodide is extensively used in medicine.

So, in addition to being one of the three essential elements necessary for plant growth, food, flowers, cotton, and tobacco, potash or potassium is essential for industrial purposes that are indispensable for the satisfaction of everyday needs.

#### CONSIDERATION OF DISTRICT BILLS

Mr. THOMPSON obtained the floor.

Mr. KING. Mr. President, will the Senator from Nebraska yield to me?

Mr. THOMPSON. I yield.

Mr. KING. I spoke to the able Senator from Oregon [Mr. McNARY], the leader of the minority, in regard to a number of rather unimportant bills reported unanimously by the Senate District Committee a few days ago, all of which were recommended by the District Commissioners, and the Senator stated he had no objection to my asking unanimous consent to have them considered at any time I could get the floor. The ranking member of the committee on the Republican side, the Senator from Kansas [Mr. CAPPER], is here and knows about these bills and the fact that it was understood that we were to consider them and have them passed as soon as possible.

I ask unanimous consent, Mr. President, for the present consideration of certain bills affecting the District of Columbia.

The PRESIDING OFFICER (Mr. THOMAS of Utah). Is there objection to the request of the Senator from Utah? The Chair hears none, and it is so ordered.

#### REINTERMENT IN CONTAGIOUS-DISEASE CASES

Mr. KING. I send to the desk Senate bill 450, and ask unanimous consent for its present consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 450) to empower the health officer of the District of Columbia to authorize the opening of graves, and the disinterment and reinterment of dead bodies, in cases where death has been caused by certain contagious diseases, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That section 93 of title 5 of the Code of Law for the District of Columbia is hereby amended by adding thereto the following proviso: "Provided, That the health officer of the District of Columbia may, in his discretion, authorize the opening, under sanitary precautions, of any such grave and the disinterment and reinterment in the same grave or other suitable burial ground, of the dead body of any person who has died of any of the contagious diseases enumerated above."

#### DISPOSITION OF UNCLAIMED PROPERTY

Mr. KING. I send to the desk Senate bill 3013 and ask unanimous consent for its present consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 3013) to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That section 416 of the Revised Statutes relating to the District of Columbia be amended by striking out the word "fifty" where it occurs in said section and inserting in lieu thereof the words "one hundred."

Sec. 2. That section 417 of the Revised Statutes relating to the District of Columbia be amended so as to read as follows:

"Sec. 417. All property, except perishable property and animals, that shall remain in the custody of the property clerk for the period of 6 months, with the exception of motor vehicles, which shall be held for a period of 3 months, without any lawful claimant thereto after having been three times advertised in some daily newspaper of general circulation published in the District of Columbia, shall be sold at public auction, and the proceeds of such sale shall be paid into the policemen's fund; and all money that shall remain in his hands for said period of 6 months shall be so advertised, and, if no lawful claimant appear, shall be likewise paid into the policemen's fund."

#### CHANGE OF NAME OF FOUR-AND-A-HALF STREET SW.

Mr. KING. I send to the desk Senate bill 3257 and ask unanimous consent for its present consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 3257) to change the designation of Four-and-a-half Street SW. to Fourth Street was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the street designated as "Four-and-a-half Street", running south from the center of the Mall to P Street south, be, and the same is hereby, changed to Fourth Street, thereby giving this street for its entire length from Pennsylvania Avenue northwest to P Street south the designation of Fourth Street.

#### DISTRICT HARBOR REGULATIONS

Mr. KING. I send to the desk Senate bill 2714, and ask unanimous consent for its present consideration. The bill merely gives the Commissioners authority to pass necessary regulations for the control of the harbor front.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 2714) to amend section 895 of the Code of Law of the District of Columbia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Commissioners of the District of Columbia be, and they are hereby, vested with authority to make harbor regulations for the entire waterfront of the city within the District of Columbia, to alter and amend the same from time to time as they may find necessary, and to fix penalties for the violation of such regulations which, however, shall not exceed fines of \$500 or imprisonment over 6 months, or both: *Provided,* That whenever these regulations affect navigable waters, channels, and anchorage areas or other interests of the United States, such regulations shall be subject to the approval of the Secretary of War: *And provided further,* That whenever said regulations affect the waterfront within the District of Columbia under the jurisdiction of the Director of National Parks, Buildings, and Reservations, or affect the interests and rights of the National Capital Park and Planning Commission, such regulations shall be subject to prior approval of the respective agencies.

#### FEES OF RECORDER OF DEEDS

Mr. KING. I send to the desk Senate bill 2641, and ask unanimous consent for its present consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2641) to provide fees to be charged by the recorder of deeds of the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia with an amendment to strike out all after the enacting clause and to insert:

That section 552 of the Code of Law for the District of Columbia, entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended (D.C. Code, title 10, sec. 14, authorized by the act of May 29, 1923, and the joint resolution of Mar. 2, 1929), be, and the same is hereby, amended by adding at the end thereof the following:

"On and after July 1, 1934, the fees prescribed herein, and all other fees in connection with the office of the Recorder of Deeds of the District of Columbia, shall be subject to change, from time to time, by the Commissioners of the District of Columbia, the said fees to be fixed by the said Commissioners with reference to the reasonable cost of the service rendered as the said Commissioners may determine. Also on and after said date the Recorder of Deeds of the District of Columbia and all employees in the office of the recorder shall be appointed by, and be under the administrative control of, the Commissioners of the District of Columbia, and all appropriations for salaries and other expenses of the said office shall be expended and accounted for in like manner as other appropriations for the expenses of the government of the District of Columbia. It shall be the duty of the Auditor of the District of Columbia to audit the accounts of the recorder of deeds covering fees and emoluments received, and to make periodic reports thereof in writing to the Commissioners of the said District."

Mr. KING. Mr. President, I may say that the fees of the recorder are so inadequate that there is a great deficit, and the purpose of the bill is to increase the fees. I may say, also, that all the bills for which I am now asking consideration are recommended by the Commissioners of the District of Columbia.

Mr. COSTIGAN. Mr. President, will the Senator be good enough to state the purposes of the various bills when he presents them?

Mr. FESS. Mr. President, ordinarily I should not think it wise to allow bills to go through in this way, but I know the background of the Senator from Utah. He has always objected to the immediate passage of anything which needs consideration, and for that reason I shall not interpose any objection, because I am of the opinion that he would not recommend anything that ought not to go through.

Mr. KING. The District Committee recommended the passage of this bill. There is present the former chairman of the committee, now the ranking member of the committee on the other side of the Chamber, the Senator from Kansas [Mr. CAPPER], and he and I unite in this request.

Mr. FESS. The Senator from Utah recognizes that the present procedure is generally considered a very unwise one.

Mr. KING. Mr. President, these are local measures, and the Commissioners of the District of Columbia approve them.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### BOARD OF PUBLIC WELFARE

Mr. KING. I send to the desk Senate bill 3289, and ask unanimous consent for its present consideration.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 3289) to transfer the powers of the Board of Public Welfare to the Commissioners of the District of Columbia, and for other purposes.

Mr. COSTIGAN. Mr. President, will the Senator explain the purposes of the respective bills?

Mr. KING. Mr. President, with reference to the pending bill, S. 3289, the president of the Board of Commissioners of the District of Columbia has written me the following letter, which explains the matter much better than any words of mine could do:

COMMISSIONERS OF THE DISTRICT OF COLUMBIA,  
Washington, April 4, 1934.

Senator WILLIAM H. KING,  
Chairman Senate Committee on the District of Columbia,  
United States Senate, Washington, D. C.

MY DEAR SENATOR KING: The Commissioners of the District of Columbia have the honor to submit herewith draft of a bill entitled, "A bill to transfer the powers of the Board of Public Welfare to the Commissioners of the District of Columbia, and for other purposes."

This bill was prepared by the corporation counsel, at the request of the Commissioners, and the purpose of it is to transfer to the Commissioners all the powers and authorities now exercised by the Board of Public Welfare.

At the present time the Board of Public Welfare is an independent body having supervision over the workhouse at Occoquan, Va., the reformatory at Lorton, Va., the Washington Asylum and Jail, the National Training School for Girls in the District of Columbia and at Muirkirk, Md., the Gallinger Municipal Hospital, the Tuberculosis Hospital, the Home for the Aged and Infirm, the Municipal Lodging House, the Industrial Home School, the Industrial Home School for Colored Children, and the District Training School in Anne Arundel County, Md. Under existing law the supervision of the Board over these institutions, as well as the exercise of certain other powers and authorities vested in the Board, is free from the control of the Commissioners. The employees of the Board may be appointed by the Commissioners, upon the nomination of the Board, and may be discharged by the Commissioners only upon the recommendation of the Board. The Commissioners being responsible for the general welfare of the District of Columbia, their powers should equal their responsibility. It is, therefore, essential that the duties of the Board should be vested in the Commissioners.

The proposed bill is drafted to accomplish this purpose.

The Commissioners recommend early action on the bill.

Very sincerely yours,

M. C. HAZEN,  
President Board of Commissioners.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That all of the powers, authority, property, duties, and obligations heretofore vested in or imposed upon the Board of Public Welfare for the District of Columbia be, and they are hereby, transferred to, vested in, and imposed upon the Commissioners of the District of Columbia. All employees of the Board of Public Welfare, including the Director of Public Welfare, shall become the employees of the Commissioners for such time as their services may be deemed necessary, and shall perform the duties imposed and exercise the powers conferred upon them by existing law and perform such other duties and exercise such other powers as the Commissioners may direct. Such employees may be discharged and new employees may be appointed by the Commissioners without recommendation or nomination of the Board. The unexpended balance of all appropriations heretofore and hereafter made for such Board, or to be disbursed by it, shall become available for the use of and disbursement by the Commissioners.

SEC. 2. Hereafter the duties of the Board of Public Welfare shall be to study from time to time the social and environmental conditions of the District of Columbia and to report to the Commissioners the results of its studies with its recommendations to further safeguard the interests and well-being of the children of the District of Columbia and to diminish and ameliorate poverty and disease and to lessen crime. Said Board shall perform such

other duties, make such other recommendations, and exercise such power and authority as to subjects relating to the public welfare of the District of Columbia as the Commissioners may direct.

#### GOVERNMENT FINANCING

Mr. FESS. Mr. President, before we reached the final vote on the tax bill yesterday I had intended to submit a few observations, and deferred doing so only because of the desire of the Senate to reach final conclusion without further delay. The desire I had to speak at that time has been intensified somewhat by the report in the press this morning with reference to the financing of the Government's obligations by the Treasury.

The item I wish to discuss has to do with the success of the conversion of the fourth Liberty bonds. It will be recalled that about 3 months ago the Secretary of the Treasury announced a call of about \$1,900,000,000 of the fourth Liberty Loan bonds. The response was not wholly satisfactory. Some 10 days ago only about \$900,000,000 of that amount had been subscribed. Later the balance was taken up, and this morning we find this statement in the press:

Of approximately \$1,000,000,000 in fourth Liberties called for this month, exchange subscriptions came to \$797,000,000. At the lower rate of interest this means an annual saving of nearly \$8,000,000.

Then, further on, the statement proceeds as follows, this being a comment of the writer of the dispatch with a Washington date line, and not a statement of the Treasury officials:

The Treasury did not say whether some of the \$2,810,000,000 profit on dollar devaluation might be employed to retire the new call of bonds, nor were there replies to queries about the possibility that President Roosevelt might employ his power to retire interest-bearing securities with non-interest-bearing money.

That is a significant statement. The aggregate of the fourth Liberties now outstanding is \$4,300,000,000. At 4¼-percent interest they cost the Government nearly \$200,000,000 a year.

The President in his Budget message referred to the need for money this year, and said:

In order to make clear to the Congress what our borrowing problem is for the next 6 months, permit me to remind you that we shall have to borrow approximately \$6,000,000,000 of new money and in addition \$4,000,000,000 to meet maturities of a like amount.

That is a statement of the immediate needs for financing. When the President made that statement in his Budget message it was rather shocking to those who had not refreshed their memories as to the maturing obligations that such an enormous amount as \$10,000,000,000 would be needed in the next 6 months.

To date there has not been any obvious evidence that causes any great concern about the ability of the Government to meet these obligations. The further we go, and the nearer to the time of maturity we approach, the greater becomes our concern. The first evidence of our concern is that the Treasury seems to be compelled to avoid long-term commitments, and therefore is compelled to resort to short-term notes. So long as we confine ourselves to short-term financing, there ought not to be any serious difficulty in maintaining the credit of the Government if we stay within the limits of our ability. Just what is our ability is the problem.

Naturally there is one rather unfortunate injury to come from limiting the short-term notes. The liquid assets of banks lying idle will freely flow into short-term notes, even at a reasonably low rate because, first, thereby money not otherwise in use is employed; second, there is no commitment for a long term; and, third, there is really no jeopardy so far as ability to meet the obligations is concerned.

There is no doubt, with the equalization fund of \$2,000,000,000 in the Treasury, that short-term notes can be kept at or above par; but when it comes to entering upon a long-term issue of Government securities it is quite obvious there is no market. The fact that there is no market is a condition that ought to concern us all. That condition is due to the enormous calls upon the Treasury. When we come to

satisfy those calls there are only two ways in which it can be done: One is by taxation, and that must cover a long period of time, and the other is by borrowing.

It is obvious that we cannot meet these obligations by taxation, notwithstanding the fact that we are using a fine-tooth comb to find every available source of new revenue. There is no more striking illustration of that than what we have just done in the revenue act which we passed yesterday. The mail of every Senator is flooded with protests against further taxation. Every Senator, I believe, is answering inquiries about as I answer them—that the needs of the Treasury are such that there is no chance for lower taxes, there is no chance to eliminate taxes, and about all that can be done is to find new sources of revenue. Our concern is not to use that method which will reduce the revenue rather than increase it. So those who are writing urging us to reduce taxation and those who are writing urging against new taxation might as well discontinue their efforts.

One thing about which we ought to be greatly concerned is the selection of the best form of taxes, so as to avoid doing more injury than good.

The House sent over to us a bill calling for \$280,000,000 of additional revenue. The Finance Committee, after long-continued hearings and after considerable debate, reported a bill designed to raise \$330,000,000 of additional revenue, increasing by \$50,000,000 the amount estimated to be raised by the House bill. Upon the floor of this body the Senate rewrote that bill, which, it struck me, was a very serious thing, in that a committee so well-established as the Finance Committee of the Senate was not able to prevent the Senate itself from rewriting the bill. The Senate took a \$300,000,000 bill and made it a \$480,000,000 bill—not quite double, but nearly double, the amount the House bill would have raised. The significant thing was not so much the additional taxes as the change of philosophy of the taxation; and here on the floor of the Senate, largely by means of amendments emanating from Senators who are not members of the Finance Committee, the bill was almost entirely rewritten.

Our danger in legislating at times like these is that we fix our eyes upon the things that ought to be corrected; we are dazzled by the glaring misfeasance, and we are apt to go too far in our legislation. I think that was true in the National Securities Act. We sought to end certain abuses in the securities business, and, with our eyes dazzled by the conduct of certain groups in banking realms, in order to correct that misfeasance we took action which is apt to break down the whole structure. None of us want to do that, but it is almost inevitable when we legislate in times of excitement.

I think the same thing might be said in reference to the Stock Exchange Act, and certainly it is true in reference to taxation. In times such as the present, when we need money, we are apt to abandon fundamentally sound principles and accept theories that never have been worked out, in the hope of raising largely increased revenues. We are apt, however, to decrease the revenue by that course. In other words, our legislation has a tendency to break down the very ability we are hoping to build up.

Mr. President, no substantial recovery is possible in this or any other country that does not keep within the realms of sound finance, whether it be taxation or whether it be borrowing and creating obligations.

If we cannot meet our maturing obligations by taxation—and we know we cannot—then we must resort to borrowing. We have reached the point where we cannot borrow on long-term obligations. Therefore we are limited to short-term obligations. If we do not succeed in our short-term borrowings, there is not a man alive who can tell what will happen.

The success or lack of success of the Treasury in the past few weeks in long-term borrowings is ominous. These obligations, in the language of the President, are coming due. If we find ourselves unable to borrow in order to meet them, that will be an announcement of bankruptcy; and the moment we are unable to maintain the Federal Govern-

ment's record of credit, so that its obligations can be sold at par or above par, that moment we have reached the danger point.

Mr. President, few people have taken the time to analyze our financial structure. The very backbone of it is the Federal Reserve System. The Federal Reserve System has not a large capital. Its purchases are very largely of Liberty bonds. It would not take a very great discount of Liberty bonds to embarrass the Federal Reserve System. I know that I am touching a very sensitive nerve here. If there is a margin of discount growing out of the failure of the Government to meet its obligations, it will immediately react upon the largest holder of these obligations, the Federal Reserve System. A margin of from 10 to 12 points would be sufficient not only to undermine but to put in deadly jeopardy the Federal Reserve System of the country.

I do not know how other people may look at the matter; but with the continuing increase of Government obligations, which aggregate, this year, over seven and a half billion dollars more than we are taking in, if we fail to meet any one of them by our inability to finance them there will be immediately a break in the credit of the Government, and it will be faced with a recognition of the breakdown of its credit, or will have to meet the emergency by the issuance of greenbacks.

I am speaking in the presence of men who without doubt know that unless there is a change in the current, the President will be compelled to resort to the issuance of greenbacks before the year is over. When we start on that path we shall be on the way that Germany took, because when once we begin printing paper as noninterest-bearing money to pay the Government's expenses we shall have started on a road the end of which we cannot see.

That is why I am impressed with this message and why I wonder whether or not the President will resort to the authority he already has to pay Government obligations in non-interest-bearing money, which means in greenbacks. I do not know how this matter appears to my colleagues, but, in my judgment, the situation is a most serious one. Last night we passed the revenue bill under the pressure of those who desire to change the policy of our taxing method, in the belief that they can gain larger revenues by attacking measures and practices which heretofore have always been regarded as legitimate. I do not know what the consequences of our action will be.

We have made it impossible, by the action of the Senate, for any profitable corporation to invest any of its reserves in the stock of any other corporation. To me that was a silly proposal; and in the end, instead of increasing the taxes, it will decrease the taxes. That, however, is not the worst feature of our action. It is clogging the very channels of corporate prosperity.

Mr. President, while we are increasing every hour the burdens of the Government, we are also increasing the burdens of the taxpayers; and while we are dependent upon the taxpayer to relieve the burdens of the Government, in the degree that we are increasing the burdens we are decreasing his ability to meet them; and not only that, but we are in a stage of enacting penalizing legislation. We pass legislation here which virtually clogs all the channels of corporate investment upon which a productive industry must depend. I mean by that that no local industry can depend wholly upon borrowing from banks, because most of them are in the red and no bank will loan to any industry that is in the red. We are increasing the burdens, decreasing the ability to meet the burdens, and at the same time clogging the channels of recovery.

There is not any one call that is so loud and so commanding as the call to reduce the expenses of the Government.

In conclusion, Mr. President, I desire to say that we are constantly increasing the indebtedness of the country at a rate that is bewildering. We are constantly decreasing the ability of business to meet these obligations. We are not only crippling business but we are blocking the channels of recovery. We are making it impossible to meet our obliga-

tions by taxes. We are making it very difficult to meet them by borrowing.

The long-term channel is closed already, notably because nobody is going to risk a long-term obligation of the Government under present circumstances. The short-term bond is the only thing remaining; and if the obligations of the Government become so great that we cannot meet them by the short-term method, then resort to greenbacks will be necessary. I state as my judgment that before the year closes we shall have launched on that inflation policy, as there will be no other way to take. I deplore the prospect, but it is obvious to anyone who examines the figures that that will be the consummation.

THE PROPOSED AMENDMENT TO MAKE REPRESENTATION IN THE HOUSE OF REPRESENTATIVES DEPEND ON CITIZENSHIP INSTEAD OF POPULATION

Mr. CAPPER. Mr. President, I wish to discuss Senate Joint Resolution 10, introduced by me. This joint resolution makes representation in the House of Representatives depend not on mere population, as at present, but upon citizenship. It has come to be known as the "stop-alien representation" amendment.

In all probability, because the proposed amendment would affect only the make-up and membership of the House, the Senate will not act until the House shall have acted. However, the principle involved was discussed when an attempt was made to insert such a provision in the Apportionment Act of 1929. There are special reasons why prompt submission of the amendment is necessary. It is none too soon for the Members of this body to have in mind the vital interests involved.

I believe one or two resolutions looking to this end were introduced in previous Congresses by men not now Members of the Senate. Several resolutions were first introduced in the House, and later introduced here.

All those who have promoted this proposal in the House have finally agreed upon a single resolution, House Joint Resolution 36, introduced by Mr. TARVER, of Georgia. In addition to the fact of this agreement, this particular joint resolution, identical with Senate Joint Resolution 10, is the particular measure which was favorably reported by the decisive vote of about two to one by the House Judiciary Committee in the Seventy-first and Seventy-second Congresses.

The main difference between Senate Joint Resolution 10, which has this precedent of approval by the House committee, and most of those which were withdrawn in its favor, is that it is single, separate, and self-contained. These other resolutions proposed to accomplish the same result by amending the fourteenth amendment. The objection to that was that it needlessly introduced a totally irrelevant issue—the Negro question. The Supreme Court of the United States has upheld as constitutional all of the election laws adopted by the Southern States, but that does not prevent the adherents and defenders of alien representation from attempting to inject a fictitious Negro issue in the amendment in order to kill any proposal to abolish alien representation.

This was actually done in the House in connection with the adoption of the Apportionment Act. While I believe the inclusion of a provision of this kind into the apportionment law was unconstitutional, being in effect an effort to amend the Constitution by statute, nevertheless the effort proved interesting and valuable. It unmasked the tactics of the opposition. However, these opponents thereby prevented the final adoption of this principle, although it had passed the House in Committee of the Whole by the really remarkable vote of 183 to 123, in spite of the doubt of its constitutionality. Such a doubt decisively defeated a similar proposal on this side of the Capitol.

It must be admitted that any opening up of the fourteenth amendment does open up its whole content; otherwise this simple proposal to make representation in Congress depend on citizenship would inevitably be lost sight of in the unnecessary rancor that would be stirred up.

Therefore, it can be understood in advance that any attempt to accomplish this purpose by that means represents

either lack of appreciation of the dangers involved in it, or inconsiderate insistence upon some personal point of view regardless of consequences, or is an expression of hostility to the proposal.

I felt that this explanation was necessary in order to make the situation clear to all members of this body who have not paid special attention to this question.

The basic fact involved in this whole question is that the balance of power in some of the most vital functions of the Government of the United States today rests not with representatives of citizens of the United States, but with a comparatively small number of representatives of unnaturalized foreigners. Whenever the margin in the other House is close, this alien population may vote control of the Government away from the representatives of a majority of the citizenship.

To avoid such a serious contingency is the purpose, and the only purpose, of Senate Joint Resolution 10, which, leaving out the former preamble and giving only that part which, upon adoption, will be printed as an amendment to the Constitution of the United States, provides:

Article XX. Aliens shall be excluded from the count of the whole number of persons in each State in apportioning Representatives among the several States according to their respective numbers.

Mr. President, in what I have to say I have drawn freely from the material made available by earlier studies of a former Member of Congress from my own State, the Honorable Homer Hoch, who has discussed this question at length on more than one occasion before the Committee on the Judiciary of the other branch of the Congress.

Let me say that the word "alien" is no term of reproach. It is merely the legal term for an unnaturalized foreigner who is still a citizen of another nation, and owes his allegiance to another government.

When the Constitution was drafted, not only was there no such thing as the stirring up of the peasantry of Europe by great steamboat companies in order that they might make profits by bringing people to the United States, but the steamboat itself had not been invented.

The men who laid the foundation of this Nation never conceived the possibility of immigration either so great or of such a character that it would be difficult to assimilate. A large proportion of those who started the new Republic on its way had themselves come from across the water. They came to become citizens. Most of them spoke a common language. Most of them were accustomed to the institutions which furnished the historic foundation and the cultural background for whatever was revolutionary in this New World venture.

One of the fondest boasts of admirers of the Constitution is of the flexibility which has made it possible to adapt it to new conditions. And I wish to make clear that there is ample precedent already established within the United States for the simple adjustment which is necessary to correct an injustice and remove a very real peril.

The largest State in the Union, which has the largest city and which contains by far more aliens than any other State, has for 37 years refused to tolerate this absurd and dangerous possibility of alien control in its State affairs. The Constitution of the State of New York adopted in 1894 contained in its apportionment section a simple provision excluding aliens from the count of the State population for representation in the State legislature. There has been no serious objection to this on the ground that it was an attack upon aliens, or that it worked injustice to aliens, or that it raised any racial or religious issue. Of course, it is obvious that there is no partisan issue involved in it.

That this provision in the Constitution of the State of New York has stood unchallenged for a full generation and throughout the period of greatest immigration proves there is no serious objection to the principle. Whatever objections are now raised to the application of this principle to Congress by amendment of the Constitution of the United States are afterthoughts prompted by political expediency or by special interests. They have no root in the basic values which ought

to be our sole concern in settling a question that should be disposed of early and promptly.

However, New York is not the only State. Maine, Massachusetts, North Carolina, Tennessee, my own State of Kansas, Idaho, and California have substantially the same provision excluding aliens, or at least a provision which is equal to the exclusion of aliens from the count for representation in the State legislature.

As the New England States, the Middle Atlantic States, the deeper South, the border States, the Central West, the far West, and the Pacific coast are all represented in this list, it is definitely and conclusively established that the principle of representation of citizens only is recognized by the people of every section of this country. This fact is further established by the 183 votes cast for this proposition the first time it ever came to a vote in the lower House, and then in a form of dubious constitutionality.

The friends of aliens have accepted the exclusion of alien representation, of which New York is the most noteworthy example, as just, proper, and a perfectly natural thing. Radical forces find their best soil in the cities. The unnaturalized foreigner who dwells among us need only exercise his privilege of becoming a citizen of the United States to be welcome to enjoy the full benefits of citizenship. Virtually one half the population of New York City consists of aliens who do not care enough about the land in which they live to become naturalized citizens. Yet under a contingency not foreseen by the makers of our Constitution these aliens may some day decide who shall be President of the United States. In voting power alone in the House these aliens have given New York six and a half times the strength of Kansas in legislation affecting the welfare of the people of New York home State.

Mr. President, all that is involved in Senate Joint Resolution 10 is the simple question of citizenship and allegiance. No matter where one was born, if he has embraced the open opportunity under the generous and liberal laws of the United States to become a citizen, he is entitled to representation, as a matter of right, on exactly the same basis as those who were born here. Everybody knows that many people who have come from other lands are today better Americans at heart than thousands who were born in this country.

Having established a basis both in precedent and reason for the correction of this part of the Constitution, let us now consider just what has been the status for 20 years, and is still true of this Congress.

The last apportionment prior to the one automatically effective the 4th of March 1931 was made following the census of 1910. The congressional ratio was one Representative for something over 211,000 of population, with due regard to the fact that every State, no matter how small its population, was entitled to at least one Representative.

There was no apportionment following the 1920 census, but dividing the number of aliens shown by that census—something over 7,400,000—by the last congressional ratio, which, though not exactly accurate, is approximate, we find that there were some 34 Representatives in the Seventy-second Congress, and in eight or nine Congresses preceding, who represented no one but these millions of unnaturalized foreigners.

There is no need for me to argue that 34 Members of Congress made a balance of power in the House of Representatives, in face of the fact that the minority party organized the House on the strength of a majority of four and a plurality of five in the Seventy-second Congress.

Alien representation in the United States does not stop with mere representation in the legislative body, as it does in the States. The 34 Representatives, representing these unnaturalized foreigners, give these New York aliens, under the Constitution of the United States, 34 representatives in the electoral college. Within the recollection of all the Members of this body, a Presidential election has been decided by a much smaller number than 34. Charles Evans Hughes, now Chief Justice of the United States Supreme

Court, was defeated for President in 1916 by President Woodrow Wilson by the electoral vote of the single State of California, which then did not have the equal of half of 34 electoral votes.

There is still another respect in which alien representation means more in Congress than in State legislatures. Roughly speaking, there are two delegates to the national convention of each major party for each electoral vote. That means that the 34 electoral votes which these unnaturalized foreigners have because of their 34 Representatives in Congress also give them 68 delegates to both the Republican national convention and the Democratic national convention. Anybody who knows anything about politics knows that a much smaller margin than 68 frequently swings a convention to or away from some outstanding candidate.

Alien representation alone in this and preceding Congresses has given New York, which has had the most aliens, seven extra Representatives—six from New York City.

As Tammany controls New York City, this means that Tammany controls these additional Congressmen along with the rest of the Tammany Representatives. The same thing is true, in proportion, with the Tammany sort of city political organizations in the other big cities with large alien concentration. The presence of these representatives of aliens in the Congress of the United States may easily constitute a turning point in United States history, as we have seen.

Mr. President, the representation of aliens in Congress may determine a Presidential election in this country, entirely apart from their voting weight in the electoral college, due to any additional electors who owe their existence as such solely to the padded congressional representation.

The Constitution requires the vote of a majority of the electoral college to elect a President. If there should again be three candidates for President, and the third candidate should receive any considerable number of electoral votes, it might easily happen that no candidate would have a majority. This would automatically throw the election of President into the House of Representatives. In that case each State would have one vote, and that vote necessarily would be determined by a majority vote in the caucus of the House membership from that State.

This is not a partisan question. I take it that any honest, fair-minded, sportsmanlike Democrat desires that Democratic victories shall be based upon representation only of citizens of the United States.

An idea of how this alien representation operates was furnished by the editor of the National Methodist Press in an article published throughout the Nation in the Christian Advocate, the official organ of the Methodist Episcopal Church. As pointed out by this national editor of the great religious journal, at the election at which one New York Tammany Representative was first sent to the House of Representatives in one district in New York there was cast a total of 7,900 votes for the congressional candidates of the three largest parties. This editor contrasted that with a Kansas district at which more than 76,000 votes were cast at the same election, showing that one voter in this New York district got nearly 10 times as much representation as one voter in a district of my own State of Kansas. Yet New York newspapers have had the nerve to talk about rural control of Congress, and have seriously stated again and again that rural sections have several times as much representation in Congress in proportion as city sections. Any such statement is based either upon ignorance, which is not excusable in such molders of public opinion as our great newspapers, or else it is prompted by a desire to deceive in order to serve the selfish interests of the cities.

The congressional representation given to each State is worked out according to a mathematical formula. Each State has as many districts as the congressional ratio goes into its population, and nothing fairer than the major fraction method of assignment of left-over Representatives has yet been devised. As nearly as is humanly possible, provision is made nationally for every resident of the entire

United States, regardless of the State in which he lives, or whether he resides in city or country, to have equal representation.

A citizen of New York City, even though he be a part of the Tammany machine, has just as much right to be represented in Congress, so long as our Constitution stands, as either a farm owner or a farm hand in the State of Kansas. But he has no right to any more representation than the Kansas farmer merely because a lot of aliens have settled in New York City.

The present situation, which the New York newspapers and the newspapers of other big cities conveniently ignore or seek to conceal, is that a million citizens of the United States, native and naturalized, today have more representation than a million United States citizens in Kansas or a million citizens of the United States in up-State New York. These citizens of New York City have this padded representation solely through counting for representation in Congress about a million and a quarter unnaturalized foreigners in New York City. This is the thing the proposed amendment would stop, and it ought to be stopped. No newspaper can expect to make intelligent citizens believe that stopping it would be wrong or unjust to somebody.

Mr. President, I believe that every patriotic Democrat and every patriotic Republican will gladly take the position that he does not desire any advantage that is not fundamentally sound or morally just.

One objection that has been urged to the proposed amendment is that with the limitation upon immigration the number of aliens would soon become negligible and that the amendment would be useless. If that were true, it would be entitled to serious consideration; but it does not stand up in face of the facts. As contrasted with something over 7,400,000 aliens reported by the 1920 census, the 1930 census, covering the period through which this drastic limitation on immigration has been in force, is nearly 6,300,000, or, to be exact, 6,282,504, as shown by the complete figures given out for the first time by the Census Bureau on December 23, 1931.

It is true that this includes those who have taken out their first papers, which is proper, just as intelligent, American-born high-school graduates of 20 years of age still cannot be included in lists of voters. There is no assurance that any particular person will complete the process of naturalization, which alone makes him a citizen, and he is indisputably an alien until he actually becomes a citizen. This also includes those who are unknown, which again is correct, because every foreign-born person must be presumed to be still an alien until it is established that he is a citizen.

It is obvious that with a smaller number of aliens, and with a larger congressional ratio, the number being decreased approximately 15 percent, and the congressional ratio increased approximately 33 percent, there will be fewer Representatives of aliens in Congress, and therefore in the electoral college and the nominating conventions. The division of the larger congressional ratio of something like 280,000 into the 6,282,504 alien total gives something over 22 Representatives in Congress. This, of course, is not absolutely exact, because there are many human factors involved. It is as close an approximation as can be made, for experience indicates that the fractions equalize each other.

There is another factor, Mr. President, which the opposition has conveniently kept out of sight, namely that although the number of actual Representatives of unnaturalized foreigners in Congress was smaller in the Seventy-third Congress than it was in the preceding Congress, and has been for nearly 20 years, the injustice will be greater, because hereafter alien representation will be at the expense of citizen representation, instead of merely being in addition to the representation of citizens.

The point is very simple. Heretofore, to avoid the unpleasantness involved in reducing the representation of any State, it has been the custom to find a ratio which would take care of the increase of population in the States which had grown, but not take any Representative away from any

State which had not grown or kept pace with the general growth. Then the size of the House has been increased by whatever number might be necessary to accomplish this purpose.

By this process the size of the House was steadily increased, decade after decade, until the present total of 435 was reached. This was so generally recognized as the limit for practical convenience that one of the first things to be settled in connection with the new apportionment was that there should be no increase.

Congress failed to make an apportionment after the 1920 census. The population increased in the 20 years following the previous apportionment from 92,000,000 to 122,000,000, in round figures, or an increase of approximately one third—roughly speaking, the increase being one quarter of the present population.

This meant that it would take 108 Representatives out of a total of 435 to represent the increase alone. As the membership was not increased, constituencies for the 108 had to be found by shifting Representatives from the sections which had stood still or even lost in population to the sections which had grown. Obviously, since the increase was virtually entirely in the cities, this involved a tremendous loss of representation from the rural, American-minded, citizen-populated sections, covering not merely the farm districts but the hamlets, little villages, and smaller cities in the agricultural counties. This loss of representation to them was shifted as an increase of political power to the cities—mainly the big cities, with their alien influence, and frequently their complete alien domination.

The first fruit, and the only immediately visible result capable of proof by official figures, was the shift of 27 congressional districts from 21 States over to 11 other States, as made in the apportionment which became automatically effective March 4, 1931, under the Apportionment Law of 1929. However, this really represents only the smallest part of the shift, the biggest movement being inside of State lines, having no bearing upon the congressional reapportionment, and entirely outside the jurisdiction of the Census Bureau or of Congress itself.

Although, as I have indicated, the increase in population, with the necessary shift in representation because of it, calls for the shifting of 108 Representatives in Congress from rural districts to city districts, or at least from rural control or rural emphasis in spirit over to city control and domination only one quarter of this 108 is represented by the shift from certain States to certain other States. All the rest of the shift is entirely within State lines.

It is impossible for anybody to make any dogmatic statement, and prove it, respecting the exact size and character of this shift within State lines or the degree of city domination which has been substituted for a given degree of rural influence. However, in 1910 the rural and village population was almost 60 percent of the total population, with only a little over 40 percent in the urban sections. By 1930 that proportion had almost been reversed. Accordingly, it is evident that there has been a shift, in whole or in part, affecting virtually all of the remaining 81 districts.

Mr. President, the big thing that stands out in all of this—a fact which never existed before in this connection—is that for the first time in the history of the country representation has been taken away from American-citizen constituencies in the rural sections to enable the big cities to retain an unjustly swollen representation by counting their unnaturalized foreign populations.

I am not and never have been one of those who seek to stir up prejudice and feeling as between different sections within the citizenship of the United States. However, every resident of the rural United States, whether a native-born American or a naturalized citizen, has a right to insist—and it is my duty as the representative of such constituencies to insist with all the earnestness I can summon—that representation shall not be taken away from citizens of the United States to continue the absurdity and the peril involved in representation of an unnaturalized foreign element. It is

unquestionable that this element is exploited and is illegally voted in State and local elections by the corrupt political gangs of the great cities.

We cannot help ourselves or avert the peril to the Nation involved in the possibility of the decision of national elections by illegal voting of unnaturalized foreigners at the polls manned by henchmen of corrupt city political organizations. But we can at least prevent the voting of aliens, through representatives controlled by such organizations, in the Congress of the United States when the census figures give us an accurate check and a means of self-defense.

Mr. President, the present system does violence to the whole idea of representative government. The basic democratic idea, as worked out in highly practical operation exemplifying the old New England town meeting, was that all of the people qualified for a voice in the government came together and settled the pending issues immediately and directly. That became too cumbersome as the population grew, so the system of representation in States and the National Government, as well as in the smaller units, grew up.

Always, however, the idea has been that the representative voted in Congress, for example, in place of all of the voters of his district who would have voted if it had been feasible to get them together for that purpose. Obviously it is ridiculous that there should be voting representatives of those who cannot vote at the polls or could not vote in a popular mass meeting, if such a thing could be called. Yet that is precisely the condition which exists in this country under the present system of voting representation of unnaturalized foreigners who cannot legally vote at the polls in any State in this country.

I am making that last statement advisedly. As brought out in the hearings before the House Judiciary Committee by the Representative from my State in the Seventieth Congress, Mr. Hoch, and reprinted in the hearings before the same committee in the Seventy-first Congress, the last State in the Union to permit an alien to vote upon taking out first papers or announcing an intention of becoming a citizen of the United States and complying with the State laws respecting residence, and so forth, has withdrawn that privilege by amendment of the State constitution.

As pointed out by Mr. Hoch, there were, as recently as 1917, seven States—Arkansas, Indiana, my own State of Kansas, Missouri, Nebraska, South Dakota, and Texas—in which an alien might vote, though a mere declaration of intention did not make him a citizen. Every one of those States has since 1917 changed its State constitution, so that there is no State in the Union today where an alien can legally vote until after he has been fully naturalized and met the other conditions of suffrage in the State.

The proposed amendment, therefore, is in harmony with the clearly defined trend throughout the States of the Union as indicated by the list I gave of the eight States which prevent representation of aliens in the State legislature, and by the six additional States, Kansas being the only one on both lists, which have so recently changed their constitutions to prevent aliens voting at the polls within the State.

As not one of the 48 States now permits alien voting at the polls, the time is fully ripe to put an end to the anachronism of alien-voting representation in Congress and the electoral college.

It is highly important that the single point involved in this amendment be kept free from confusion with totally different and irrelevant issues.

I have previously referred to the effort made in the House to inject the Negro issue in connection with the attempt to incorporate this principle in the apportionment statute. However, as that question is already fully covered by an amendment to the Constitution, there can be no possible point in attempting to adopt another amendment on it, or to inject that issue into the consideration of another amendment respecting an entirely different subject matter. There is nothing involved in the proposed amendment to stop alien representation which even touches the Negro issue at all, because, with very few exceptions, representing largely per-

sons from the West Indies, an inconsiderable factor in the total, the Negroes, having been born here, are citizens of the United States.

I am perfectly willing to face any legitimate issue that involves protecting the rights of the colored man, but I naturally and legitimately protest against any effort, hostile in purpose, and without regard to the real interests of the Negro race, to tangle that question up with the perfectly plain and simple one of who shall be represented in determining the policy of the Government of the United States—citizens of the United States or citizens of some other country.

This amendment likewise has nothing whatever to do with the question of who shall come to this country and how many shall come, for it does not touch the immigration laws. The questions raised by them are entitled to be settled on their own merits. Nor does the proposal to stop representation of aliens have the slightest thing to do with the question of the conditions under which aliens may become citizens, for the proposed amendment has nothing whatever to do with the naturalization laws. Frankly, I recognize the desirability of awakening the public to the proper aspects of Americanism and a scrutiny of the naturalization laws, and particularly of their administration.

For example, take a case like that reported in the New York papers early in 1928. In the county of the Bronx, the third most populous of the five counties entirely within New York City, 10,000 aliens were naturalized in 2 weeks, a thousand a day, herded into court in four squads of 250 each, and perfunctorily lectured and turned loose to vote for Tammany candidates. That ought to be looked into. Nobody can seriously believe that all of these 10,000 fully complied with the provisions of the naturalization laws.

The proposed amendment would not take away any right from any alien who is resident in this country. His most important right is that of becoming a citizen. Until he has been here long enough to qualify, if he desires, and certainly in case he does not so desire, his stay here is entirely a matter of permission, subject to the regulations this Government sees fit to impose in protecting the interests of its own citizens.

Mr. President, the opposition to this amendment is hard put to it to find plausible objections. One objection which is urged with a vehemence that reminds me of that Fourth of July waving of the flag which has now largely taken the place of the old "waving the bloody shirt", is that "the aliens pay taxes and therefore are entitled to representation, because to withhold representation is taxation without representation", and these perfervid orators fight the Revolution all over again.

I do not intend to dignify with overmuch attention this flimsy claim, and yet I cannot afford to pass it by without some mention, lest those who offer it be encouraged to believe they have said something sensible. The alien, in return for his taxes, gets police protection for himself, his family, and his property. He has a chance to work or do business in this country. He has an opportunity to share in the prosperity that has characterized virtually our entire national existence and is again on its way back. He has also a chance to become a citizen unless he belongs to that small class who are barred for recognized and established reasons of national policy.

Further, the alien is free from imperative obligation to bear arms. It is true that many aliens served in the World War, some of them as volunteers, and an appreciative Nation recognized this and made it easier for them to become citizens. However, according to figures from the War Department, brought out in the debate on this question 3 years ago, of nearly a million aliens of draft age the majority claimed and obtained exemption. They remained here in safety, taking, and holding after the war, the positions of multiplied tens of thousands of our young citizens, native and naturalized, who went to the front and risked making the supreme sacrifice.

However, the fact which, in my judgment, is conclusive on this question of taxation and representation as applied to this issue is this. Even the citizens of the United States

who live in our two Territories of Alaska and Hawaii, and of course are taxed, have no representation in Congress, simply because those Territories are not States. If a citizen of the United States who, for example, has helped develop the wealth of Alaska, braving the discomforts and even the dangers of that rigorous climate and rough country to increase the wealth of the Nation, and who is taxed in proportion as his efforts have been rewarded by success, can thus be denied a vote in Congress through a duly elected representative, how can it be seriously maintained that citizens of any of the nations of Europe should be entitled to voting representation in our Congress?

If citizens of the United States living in the District of Columbia have no vote in Congress because they have no vote at the polls, then certainly there is no reason why a million and a quarter unnaturalized foreigners resident in New York, with no legal vote at the polls, should have voting representation in Congress.

Objections against the fairness and soundness of the proposed amendment need only be fully explained to fall of their own weight.

Mr. President, one objection is that the aliens will become naturalized until there are no more aliens here and the proposed amendment will then be worthless and have no meaning, since the need for it will have ceased. If this were true, it would be important; but unfortunately for these objectors, the facts are against them.

In the first place, under our laws the Asiatics of entirely different races are not entitled to become naturalized and become citizens, and there are enough of them to make this an element entitled to consideration.

Then, in addition, there are many aliens here illegally. They are all criminals, in the sense that they have violated our immigration laws; and many of them are actual criminals of the sort that would not be admitted through the Nation's front door, even though there were no restrictions upon immigration except the obvious ones designed to protect the Nation against criminals, defectives, and those calculated to become public charges.

In debates in Congress 3 years ago estimates were given on the floor of one House or the other that there were at that time 3,000,000 aliens in this country illegally. The Government has since arrested 20 to 30 persons connected with the management of a single racketeer ring for alien smuggling. According to published reports, this ring had brought in thousands of aliens and cleaned up \$100,000,000 in the process. Whether or not these estimates are excessive, Supreme Court Justice Dike, of Brooklyn, in greater New York, has estimated, as published in the press, that there are at least 2,000,000 alien criminals in this country.

While, of course, there has been some fraud in naturalization by means of forgery of essential papers, the Government is increasingly detecting and stopping this. The majority of these aliens bootlegged across the borders will not dare attempt naturalization for fear of discovery of their illegal entry and deportation.

In this connection there is the possibility that the census count of 6,282,504 aliens does not cover the full number that are here. Human nature being what it is, it is entirely probable that a considerable proportion of those aliens who entered this country illegally carefully avoided being enumerated in the census, and were protected by their compatriots for fear the information or their unwillingness to give the information desired might lead to proceedings which would send them back.

Of course, if they were not counted they do not figure in the basis of representation. However, 10 years from now, after they shall have become bolder, while still probably not daring to attempt naturalization, they are likely to be enumerated and in future apportionments to be represented, although they are here in violation of our laws.

Then, too, Tammany has the most perfect system of exploiting aliens which has been developed in this country. Tammany has every incentive to naturalize every possible alien in order to vote him and so perpetuate Tammanyism;

and yet, according to the last State census of New York, there were still more than a million unnaturalized foreigners in New York City. So it becomes apparent that, aside from those who are disqualified, there are many aliens in the country who have no intention of becoming citizens.

However, the principle involved is a fundamental and vital one; and this amendment is just and righteous and will be imperatively called for so long as a citizen constituency large enough to make up a single district in a single State is deprived of representation in order to allow the big cities to retain an indefensibly padded representation by counting the citizens of other nations.

Mr. President, I venture the prediction that when the American people fully comprehend this situation they will make a vigorous demand for a prompt correction of the situation under which New York and other great cities are able to capitalize politically their not merely unassimilated but their also unnaturalized foreign population.

To this extent I frankly admit that one of the purposes of this amendment is to help crush alien power in United States politics. Anything that is alien has no right to be political in this country. I believe the time has come when we should put a premium on United States citizenship. It is evident that we cannot put a premium on citizenship by cheapening it.

Our present system really breaks faith with the aliens who come to this country for the purpose of becoming citizens. It lessens the inducement for them to assume the obligations of citizenship if those who do not assume such obligations can have the same representation in Congress and the electoral college. Any alien who continues to owe his allegiance to a foreign government has no intention of becoming a citizen. If his only purpose here is to make money, and then, like some of the alien bootleggers, to rush back to his native land after defrauding Uncle Sam out of his income tax, this Nation owes him nothing, and is not under obligation to give any consideration to his desires. Neither is it under obligation to strengthen the political organizations that foster and protect and fatten on this degradation of national integrity.

On the other hand, those who come to this country because they have looked to it as the land of promise, who have become Americans in their hearts because of their desire to maintain the institutions which offer them freedom and opportunity will be glad to have an amendment of this kind adopted. It will make their citizenship worth more.

We not only owe it to the better element of our foreign born—those fine people who have already become citizens, and those who desire and intend to be citizens—to put this premium upon United States citizenship, but we have a solemn duty, first, to defend the Nation, and, second, to defend the rights, interests, and future of those who were born here, the descendants of the men and women whose vision, courage, labor, and sacrifice have made the Nation great and made its future vital to the welfare of the world.

JOHN R. FETTER

As in executive session—

The PRESIDING OFFICER (Mr. HATCH in the chair) laid before the Senate the following message from the President of the United States, which was ordered to lie on the table:

*To the Senate of the United States:*

I withdraw the nomination sent to the Senate on March 24, 1934, of John R. Fetter to be postmaster at Hopewell, in the State of New Jersey.

FRANKLIN D. ROOSEVELT.

The White House, April 14, 1934.

#### RELIEF OF DEBTORS IN BANKRUPTCY PROCEEDINGS

The Senate resumed the consideration of the bill (H.R. 5884) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

## ADJOURNMENT

Mr. SHEPPARD. Mr. President, I move that the Senate adjourn until 12 o'clock noon on Tuesday next.

The motion was agreed to; and (at 2 o'clock and 54 minutes p.m.) the Senate adjourned until Tuesday, April 17, 1934, at 12 o'clock meridian.

## WITHDRAWAL

*Executive nomination withdrawn from the Senate April 14 (legislative day of Mar. 28), 1934*

John R. Fetter to be postmaster at Hopewell, in the State of New Jersey.

## HOUSE OF REPRESENTATIVES

MONDAY, APRIL 16, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

O Thou, our Heavenly Father, whose heart is love, whose face is light, and whose bosom is sympathy, be not silent unto us. Let the purest and the most unselfish conception of Thy mind and heart be given us, and out of it may there grow a wonderful ministry in the service of our country. We assemble again in this memorable Chamber; we have been intrusted with a great commission. O let a thousand chords of memory be struck, arousing in us the deepest sense of duty and responsibility. Almighty God, we pray that truth, justice, and righteousness may be established at this historic center, and it will be a long, long step to the redemption of our whole land from sea to sea; lead the way, O God, and when the evening bell rings, in sweet resignation, trust, and happy hope, may we bow our heads in gratitude to Thee. We pray in the name of Him at whose feet the wealth, the learning, and the prowess of the world have knelt in homage. Amen.

The Journal of the proceedings of Friday, April 13, 1934, was read and approved.

## MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On April 13, 1934:

H.R. 305. An act for the relief of Ernest B. Butte;  
H.R. 469. An act for the relief of Lucy Murphy;  
H.R. 881. An act for the relief of Primo Tiburzio;  
H.R. 1403. An act for the relief of David I. Brown;  
H.R. 2342. An act for the relief of Lota Tidwell, the widow of Chambliss L. Tidwell;  
H.R. 2509. An act for the relief of John Newman;  
H.R. 2639. An act for the relief of Charles J. Eisenhower;  
H.R. 2990. An act for the relief of George G. Slonaker;  
H.R. 3997. An act for the relief of Erney S. Blazer;  
H.R. 4056. An act for the relief of Emma F. Taber;  
H.R. 4252. An act for the relief of Mary Elizabeth O'Brien;

H.R. 5007. An act for the relief of Lissie Maud Green;  
H.R. 6525. An act to amend the act known as the "Perishable Agricultural Commodities Act, 1930", approved June 10, 1930;

H.R. 6822. An act for the relief of Warren F. Avery; and  
H.R. 7599. An act authorizing the Reconstruction Finance Corporation to make loans to nonprofit corporations for the repair of damages caused by floods or other catastrophes, and for other purposes.

On April 14, 1934:

H.R. 4268. An act for the relief of Joe Setton; and  
H.R. 6084. An act for the relief of Lottie W. McCaskill.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed bills of the

following titles, in which the concurrence of the House is requested:

S. 450. An act to empower the health officer of the District of Columbia to authorize the opening of graves, and the disinterment and reinterment of dead bodies, in cases where death has been caused by certain contagious diseases;

S. 2641. An act to provide fees to be charged by the Recorder of Deeds of the District of Columbia, and for other purposes;

S. 2714. An act to amend section 895 of the Code of Law of the District of Columbia;

S. 3013. An act to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia;

S. 3257. An act to change the designation of Four-and-a-half Street SW., to Fourth Street;

S. 3289. An act to transfer the powers of the Board of Public Welfare to the Commissioners of the District of Columbia, and for other purposes; and

S. 3355. An act to authorize the coinage of 50-cent pieces in commemoration of the two hundredth anniversary of the birth of Daniel Boone.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8402) to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 2032) for the relief of Richard A. Chavis disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SHEPPARD, Mr. COOLIDGE, and Mr. PATTERSON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1076. An act authorizing adjustment of the claim of the Franklin Surety Co.; and

S. 1091. An act conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claims of Edward F. Goltra against the United States arising out of the taking of certain vessels and unloading apparatus.

## RESIGNATION FROM COMMITTEES

The SPEAKER laid before the House the following resignation, which was read by the Clerk:

APRIL 16, 1934.

HON. HENRY T. RAINEY,

*Speaker House of Representatives, Washington, D.C.*

MY DEAR MR. SPEAKER: I hereby resign from the Committee on Elections No. 1, the Committee on Claims, and the Committee on the District of Columbia.

With great respect, I am, yours very truly,

J. BAYARD CLARK.

The resignation was accepted.

## ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, would it be convenient to give us at this time the suspensions that will be taken up this afternoon?

The SPEAKER. H.R. 6166, introduced by the gentleman from Minnesota [Mr. KNUTSON], for the payment of a certain amount to the Chippewa Indians out of their allotments.

H.R. 8018, introduced by Mr. DEAR, to authorize payment to reimburse States for the cost of levee rights-of-way.

H.J.Res. 302, introduced by the gentleman from Missouri [Mr. COCHRAN], authorizing the Federal Memorial Commission to formulate plans for the construction of a Jefferson memorial.

## SIGNATURES TO DISCHARGE RULE

Mr. WARREN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.